



The NGO funding game

The case of the Netherlands

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Nijmegen, April 2016

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Acknowledgement

I would like to thank To Tjoelker and her team at the NGO Department of the Ministry of Foreign Affairs for granting access to data on government funding to NGOs and for providing a platform to discuss the preliminary findings of this study. Special thanks are due to Judith Kreukels and Casper Soetekouw (interns at the Ministry) for their assistance in collecting part of the data on NGO funding, to MFS-2 organisations for providing additional information about the division of the government subsidy within their alliance, and to my colleagues Sara Kinsbergen, Willem Elbers and Luuk van Kempen (CAOS/CIDIN, Radboud University) for commenting on a draft of this report. I would also like to thank CBF (Central Bureau on Fundraising) for providing data on Dutch NGOs from their own database and Pieter van Groenesteyn (Radboud University) for his valuable help in preparing this data for analysis. Naturally, the usual disclaimers apply.

Abbreviations

Account.	Accountability Fund (<i>NGO funding scheme</i>)
ARC Fund	Addressing Root Causes Fund (<i>NGO funding scheme</i>)
CBF	Central Bureau on Fundraising (<i>Centraal Bureau Fondsenwerving</i>)
CFO	Co-financing Organisation
CMF	Child Marriages Fund (<i>NGO funding scheme</i>)
COF	Choices & Opportunities Fund (<i>NGO funding scheme</i>)
CSO	Civil Society Organisation
D&D	Dialogue & Dissent (<i>NGO funding scheme</i>)
DAC	Development Assistance Committee
Daey Ouwens	Daey Ouwens Fund for Sustainable Energy (<i>NGO funding scheme</i>)
DGGF	Dutch Good Growth Fund (<i>potential NGO funding scheme</i>)
DGIS	Directorate-General for International Cooperation (a.k.a. Ministry for International Trade and Development Cooperation, the Netherlands)
EFV	Strategic Partners Eenheid Fragiliteit & Vredesopbouw (<i>NGO funding scheme</i>)
FDOV	Facility Sustainable Development & Food Security (<i>NGO funding scheme</i>)
FDW	Fonds Duurzaam water (<i>NGO funding scheme</i>)
FLOW-1	Funding Leadership & Opportunities for Women – 1 (<i>NGO funding scheme</i>)
FLOW-2	Funding Leadership & Opportunities for Women – 2 (<i>NGO funding scheme</i>)
HA	Humanitarian Aid (<i>NGO funding scheme</i>)
HD-M	Humanitarian De-mining (<i>NGO funding scheme</i>)
HD-M&CA	Humanitarian De-mining & Cluster Ammunition (<i>NGO funding scheme</i>)
HRF-1	Human Rights Fund – 1 (<i>NGO funding scheme</i>)
HRF-2	Human Rights Fund – 2 (<i>NGO funding scheme</i>)
HR-SA	Human Rights – Small Activities (<i>NGO funding scheme</i>)
INGO	International Non-Governmental Organisation
KPF	Key Population Fund (<i>NGO funding scheme</i>)
LEAD	Local Employment in Africa for Development (<i>NGO funding scheme</i>)
LGCP-VNG	Local Governance Capacity Programme – Vereniging Nederlandse Gemeenten (<i>NGO funding scheme</i>)
MA&C	Mine Action and Cluster Ammunition (<i>NGO funding scheme</i>)
MDG3	Millennium Development Goal 3 (<i>NGO funding scheme</i>)
MFP	Medefinancieringsprogramma (Co-financing Programme) (<i>NGO funding scheme</i>)
MFS-1	Medefinancieringsstelsel – 1 (Co-financing System – 1) (<i>NGO funding scheme</i>)
MFS-2	Medefinancieringsstelsel – 2 (Co-financing System – 2) (<i>NGO funding scheme</i>)
Mig.-1	Migration – 1 (<i>NGO funding scheme</i>)
Mig.-2	Migration – 2 (<i>NGO funding scheme</i>)
Mig.-3	Migration – 3 (<i>NGO funding scheme</i>)
NCDO-1	National Committee for Sustainable Development and Development Cooperation – 1 (<i>NGO funding scheme</i>)
NCDO-2	National Committee for Sustainable Development and Development Cooperation – 2 (<i>NGO funding scheme</i>)
NGO coord.	NGO coordination SRGR (<i>NGO funding scheme</i>)
NNGOs	National (Dutch) Non-Governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
Opstap	Opstapfonds (Step) (<i>NGO funding scheme</i>)
PDP-1	Product Development Partnership Fund Diseases – 1 (<i>NGO funding scheme</i>)
PDP-2	Product Development Partnership Fund Diseases – 2 (<i>NGO funding scheme</i>)
PDP-3	Product Development Partnership Fund Diseases – 3 (<i>NGO funding scheme</i>)

POP	Support Programme for Producer Organisations (<i>NGO funding scheme</i>)
PP-1	Political and Parliamentary Cooperation – 1 (<i>NGO funding scheme</i>)
PP-2	Political and Parliamentary Cooperation – 2 (<i>NGO funding scheme</i>)
PP-3	Political and Parliamentary Cooperation – 3 (<i>NGO funding scheme</i>)
PSO	PSO capacity building in developing countries (<i>NGO funding scheme</i>)
RNE	Royal Netherlands Embassy
RVO	Rijksdienst voor Ondernemend Nederland (Netherlands Enterprise Agency)
SALIN	Strategic Alliance with International NGOs (<i>NGO funding scheme</i>)
SBOS	Burgerschap & Ontwikkelingssamenwerking (Citizenship and Development Cooperation) (<i>NGO funding scheme</i>)
Schokland	Schokland (<i>NGO funding scheme</i>)
SNGO	Southern Non-Governmental Organisation
SNV	SNV Dutch development organisation (<i>NGO funding scheme</i>)
SPCC	Strategic Partnerships Chronic Crises (<i>NGO funding scheme</i>)
SRGR-1	Sexual & Reproductive Health and Rights Fund – 1 (<i>NGO funding scheme</i>)
SRGR-2	Sexual & Reproductive Health and Rights Fund – 2 (<i>NGO funding scheme</i>)
Syria	Humanitarian Aid Syria (<i>NGO funding scheme</i>)
TMF-1	Thematic Co-financing – 1 (<i>NGO funding scheme</i>)
TMF-2	Thematic Co-financing – 2 (<i>NGO funding scheme</i>)
TMF-3	Thematic Co-financing – 3 (<i>NGO funding scheme</i>)
TMF-4	Thematic Co-financing – 4 (<i>NGO funding scheme</i>)
VMP-1	Vakbondsmedefinanciering – 1 (<i>NGO funding scheme</i>)
VMP-2	Vakbondsmedefinanciering – 2 (<i>NGO funding scheme</i>)
VOICE	(<i>NGO funding scheme</i>)
Weder	Wederopbouw (<i>NGO funding scheme</i>)
WRR	Wetenschappelijke Raad voor het Regeringsbeleid (Scientific Council for Government Policy)
Y&I	Young & Innovative (<i>NGO funding scheme</i>)

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The Dutch example seems to indicate that too many policy reforms and drastic turns over short periods of time create havoc and are not necessarily going to bring the necessary renewal in the CSO community which many observers are hoping for. Change will first of all have to come from within (Huyse & De Bruyn 2015: 20).

Introduction

In its 2015 State of Civil Society report, CIVICUS (2015: 143-) zooms in on NGO funding concluding, among other things, that in many countries the 'funding position for civil society has worsened'. If this is true for Southern countries, it certainly is also true for many Northern ones – including the Netherlands. About a month after the release of the CIVICUS report, one of the leading Dutch newspapers opened with 'Forse ontslagronde bij grootste hulporganisaties (Major layoff with biggest aid organisations)' (De Volkskrant, 5-8-2015). Central in the newspaper article were the four so-called co-financing organisations (CFOs): ICCO, Hivos, Cordaid and Oxfam Novib. Overall, these four are seen as the major losers of the process of economising and restructuring the Dutch government NGO funding system.

For the NGOs themselves (and a few others), the 'news' was already old before it hit the streets. Already in 2011, WRR (2011: 268) had called for a fundamental restructuring of the Dutch co-funding system for NGOs: 'The point of departure for funding should be the situation and actors in developing countries rather than that of Western organizations'. For WRR this meant, among other things, an increase of direct funding to Southern NGOs and the need for Western (meaning mainly Dutch) NGOs to 'profile their added value more emphatically if they wish to be eligible for funding'. Put differently: Dutch NGOs were called upon to professionalise and specialise.

Four years later, the WRR call seems to have been well heard by politicians in The Hague. Although direct funding still remains a bit obscure (certainly in terms of policy) there has been a major overhaul of the funding system for Dutch NGOs. In fact, this overhaul started already at the end of the 1990s and since then every new minister for development cooperation has somehow changed the system, increased its complexity and hammered a new nail in the NGO-funding coffin. Is the restructuring of this system by the present Minister for Foreign Trade and Development Cooperation then just the next in line? Not really and for a large part because it indeed is accompanied by a major downsizing in terms of available funds for NGOs. To conclude from this that all NGOs have lost out is a bit premature, however.

This report first of all delves deeper into the financial consequences of the decade-long restructuring process of NGO funding in the Netherlands. It does so on the basis of a unique database compiled with assistance from the Ministry of Foreign Affairs. The database covers a total of 47 subsidy schemes (open) for NGOs and 510 NGOs that between 2003 and 2015 received or were approved for funding under one or more of these schemes. As far as possible (see under methodology), this database includes data for the period 2016–2020. It allows for a more comprehensive and certainly more nuanced answer to the question of which NGOs really lost out financially and which actually benefitted.

Although this money question may be important for many politicians and undoubtedly for many NGOs, one can wonder whether it is the most interesting one in terms of policy. Apart then from being able to pick out winners and losers and in the NGO funding game, the database allows for a better understanding of the reasoning behind the constant restructuring and thus the non-financial pros and cons of the changing landscape of Dutch NGO funding. More specifically, it sheds a light on two interrelated discussions in the entire government-NGO relationship debate. The first links up to the idea of Northern donors principally funding their 'own' or national NGOs and not international or Southern ones. Is this indeed the case in the Netherlands as well, and have there been any changes in this over the years?

The second concerns the discussion of NGOs being seen by official donors as contractors or as 'actors in their own right' (OECD-DAC 2011). As such, it links up to the latest Civil Society Report of CIVICUS (2015)

which concludes, among other things, that many official donors perceive CSOs ‘as a pipeline and a contractor, rather than as something of value in its own right’. Does the data provide proof that points in one specific direction in this discussion for the Netherlands?

Before addressing these questions, I first set out the methodology used for gathering the data that form the core of this report, and then provide a brief overview of the changing landscape of NGO funding in the Netherlands. This is followed by an overview of funding schemes from 2003 onwards and an assessment of the data available. I end with some concluding remarks and points for further discussion.

Methodology

In 2009, the first database on NGO funding was developed by CIDIN as part of its cooperation with the NGO Department of the Ministry of Foreign Affairs (i.e., under the IS-academy on civil society). In 2015, CIDIN decided to update this database for the years following 2009. In combining its own extensive knowledge about the NGO sector in the Netherlands with a survey of government policies and programmes (e.g., using official documentation, the government website and discussions with staff members of the ministry), a total of 40 subsidy schemes were added to the existing 17 in the 2009 database. Together these schemes cover the period 2003–2020.

Tracking down which NGOs were granted how much in subsidies in which years from each of these subsidy schemes then turned out to be quite a challenge. For some of these schemes information was relatively easy to find (e.g., on the website of the ministry or in official documents such as annual reports or answers to parliamentary questions). In other cases, the ministry was requested to provide such data, which sometimes required them in turn to contact different departments within the ministry or external agencies responsible for managing specific schemes. Eventually, data on 47 of the 57 subsidy schemes was collected and checked with the ministry. For the remaining ten schemes data was, in a few cases, simply untraceable or, in most cases, not yet available as the assessment process for these schemes was still in process during the time of data collection (September 2015–April 2016).

Together, data on these 47 subsidy schemes should provide for a comprehensive overview for determining the way in which government policy in the field of NGOs and civil society was translated into money. Still, there may be other subsidy schemes that have not been covered here. More important, a few warnings have to be issued beforehand about the data used here.

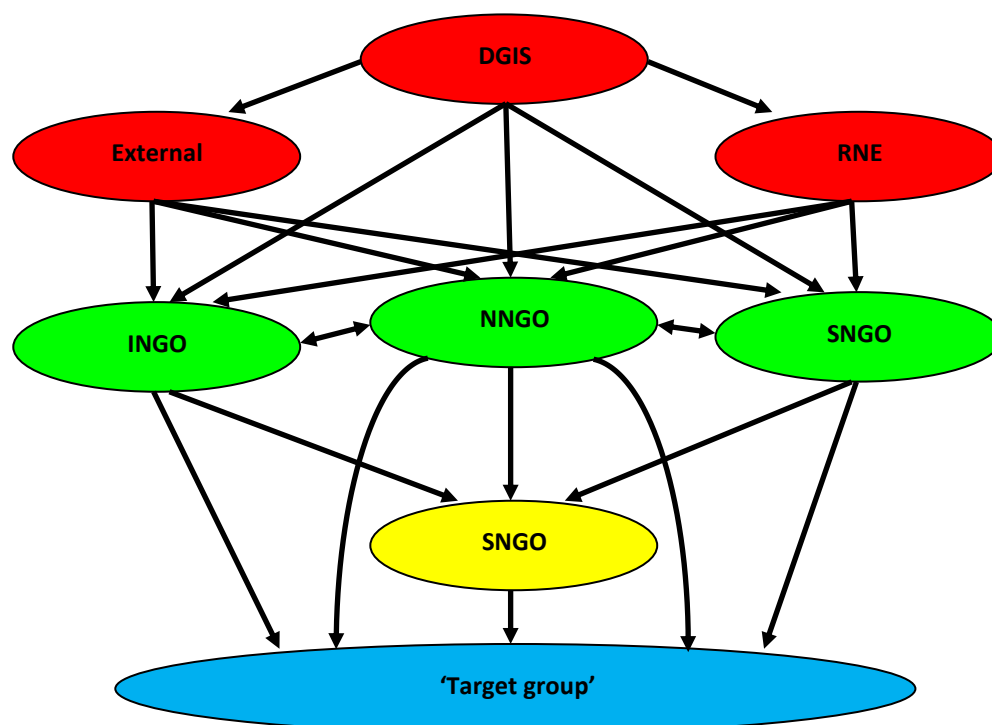
- The database primarily includes data on centralised funding to NGOs (i.e., those subsidy schemes that are managed and administrated centrally in The Hague) for the period 2003–2020. Direct funding to NGOs – or decentralised NGO funding (i.e., from the delegated funds to the Dutch embassies in developing countries) – is only included for the years 2010–2015 and is treated separately here. Even if we assumed that we have covered all central subsidy schemes here, the analysis then does not provide the entire story on NGO funding from the development cooperation budget of the Dutch government. Naturally, the fact that no (reliable) data could be traced (yet) for ten known subsidy schemes adds to the fact that this is not the entire story. Here, it is important to note that the schemes that could not be included in our analysis are thematic schemes and that they would add only around 3% to the total subsidy amount over 2003–2020.
- Several of the funding schemes are essentially successors to earlier ones. This is for instance the case with the MDG3 fund that was followed by FLOW-1, which again was followed by FLOW-2. All of these schemes have been included as separate schemes not only because administratively they are separate schemes and they differ in time period but also because they differ in terms of number of NGOs covered and the amount made available.
- Important to note is that the database only covers government subsidy and thus does not include the funds from any other source (e.g., subsidies from other donors, from other Dutch government funds not part of the budget of the Ministry of Foreign Affairs, or from donations by the general public). The database thus does not show the total budget available to NGOs for implementing their

programmes. Only Box 7, where we take a closer look at the four CFOs, presents data on the total budget, as derived from the database made available by CBF (Central Bureau on Fundraising).

Box 1. NGO funding in the Netherlands – players and funding streams

The simplest (and also most common) way of NGO funding is straight down the middle of Figure 1.1. DGIS provides a subsidy to a Dutch NGO (NNGO) which in turn funds a Southern NGO (SNGO) and this SNGO uses the funds to implement its programme aimed at a specific 'target group' (be they poor people in the case of, for instance, service delivery activities, or politicians in the case of lobby and advocacy interventions). Naturally, in reality the system might be far more complex and involve more layers. Part of NGO funding goes not to NNGOs but to INGOs and SNGOs both of which in turn might either directly implement activities aimed at a specific target group or use these funds to support the programme of (another) SNGO. It is also possible for NNGOs, INGOs and SNGOs to fund each other with part of the funding received from the ministry.

Figure 1.1 Schematic presentation of NGO funding



DGIS also directs part of its funding via embassies; these RNEs (Royal Netherlands Embassies) then use part of this money to fund INGOs, NNGOs and SNGOs (see Box 8 on decentralised funding). DGIS is not always the principal monitoring (or even selection) agency, as part of the funds available for NGOs is outsourced to external agencies such as RVO (Netherlands Enterprise Agency) (see Box 3 for a brief discussion of this outsourcing).

- For the larger part, the database is based on information about the allocations (grant awards) under the different schemes to individual NGOs. In a few cases, these allocations were not available but actual expenditures were. Although there is no guarantee that the funds committed to each NGO have indeed been disbursed we assume that they have been, and that allocations thus equal the actual disbursements to these NGOs.
- The connection between individual NGOs and subsidy schemes forms the crux of the database. In many subsidy schemes this is not a problem as commitments are made to individual NGOs. In other cases, however, commitments are or have been made not to individual NGOs but to alliances. This is, for instance, the case with the major (in terms of money) subsidy schemes of MFS-2 and D&D but it also holds for several others. In the case of MFS-2 all main applicants (*penvoerders*) have been contacted and they provided the exact division of the subsidy among the partners in the alliance. In

the case of D&D this information was not yet available. Here, we looked at the division between the partners in an alliance in terms of either their total budget for 2014 or the subsidy amount they received in 2014 and took that division as point of departure for determining an approximate division of the D&D subsidy between the alliance partners. In all other cases where the actual division of the subsidy amount within the alliances is unknown (i.e., Key Population Fund, Wederopbouw, SRGR-2 and FLOW-2), 60% of the total subsidy has been allotted to the principal or main applicant and the remaining 40% has been divided equally over all other alliance members. It is quite possible, or even likely, that the actual division is different. Considering the fact that these four funding schemes together account for only 4.4% of all subsidies over the period 2003–2020 this will have relatively little effect on the trends discussed here.

- Overall, funds have been equally divided over the years that the programme runs. When more detailed information was available (e.g., a subsidy period from August 2014 up to July 2016), this more specific period has been used to calculate the funds per year.
- A specific problem relates to the year 2011. The data reveals that this year shows a sudden and one-time dip in allocations/expenditures. Most likely the data for 2011 is skewed and specific schemes are missing for that year. Figure 1 provides an overview of all 57 schemes that were tracked over the period 2003–2020. In some cases it seems unrealistic to expect specific schemes to have suddenly stopped at the end of 2010 and then start anew from 2012 or 2013 onwards. This holds, for instance, for PP-1, HA and MDG3. In these cases a dotted line suggests that these most likely continued during 2011. However, no data has been found to back up this idea.
- For all NGOs covered in the database it has been determined (via web search) whether their headquarters are located in the Netherlands, another Northern country or a developing country. This information is then used to distinguish between Dutch NGOs (NNGOs), international NGOs (INGOs) and Southern NGOs (SNGOs).

1. Changing policies – introducing NGO funding in the Netherlands

Up to the late 1990s, government funding of NGOs in the Netherlands was dominated by one major subsidy scheme. This Co-financing Programme (MFP) started in 1965 and benefitted four large Dutch NGOs in the field of development cooperation (i.e., the so-called Co-financing Organisations, or CFOs: Oxfam Novib, ICCO, HIVOS and Cordaid). Less well known or acknowledged is that there were hundreds of other (mostly much smaller) NGOs (mainly Dutch but also international and occasionally Southern) that received funding from funds administered by specific desks or departments within the Dutch Ministry of Foreign Affairs in The Hague or by Dutch embassies in the South (see Box 2). These latter funding schemes were unstructured and without clear-cut criteria (let alone a policy), meaning as well that essentially nobody had a clear view of how many NGOs received how much under which specific scheme.

Box 2. NGO funding 1998–2001

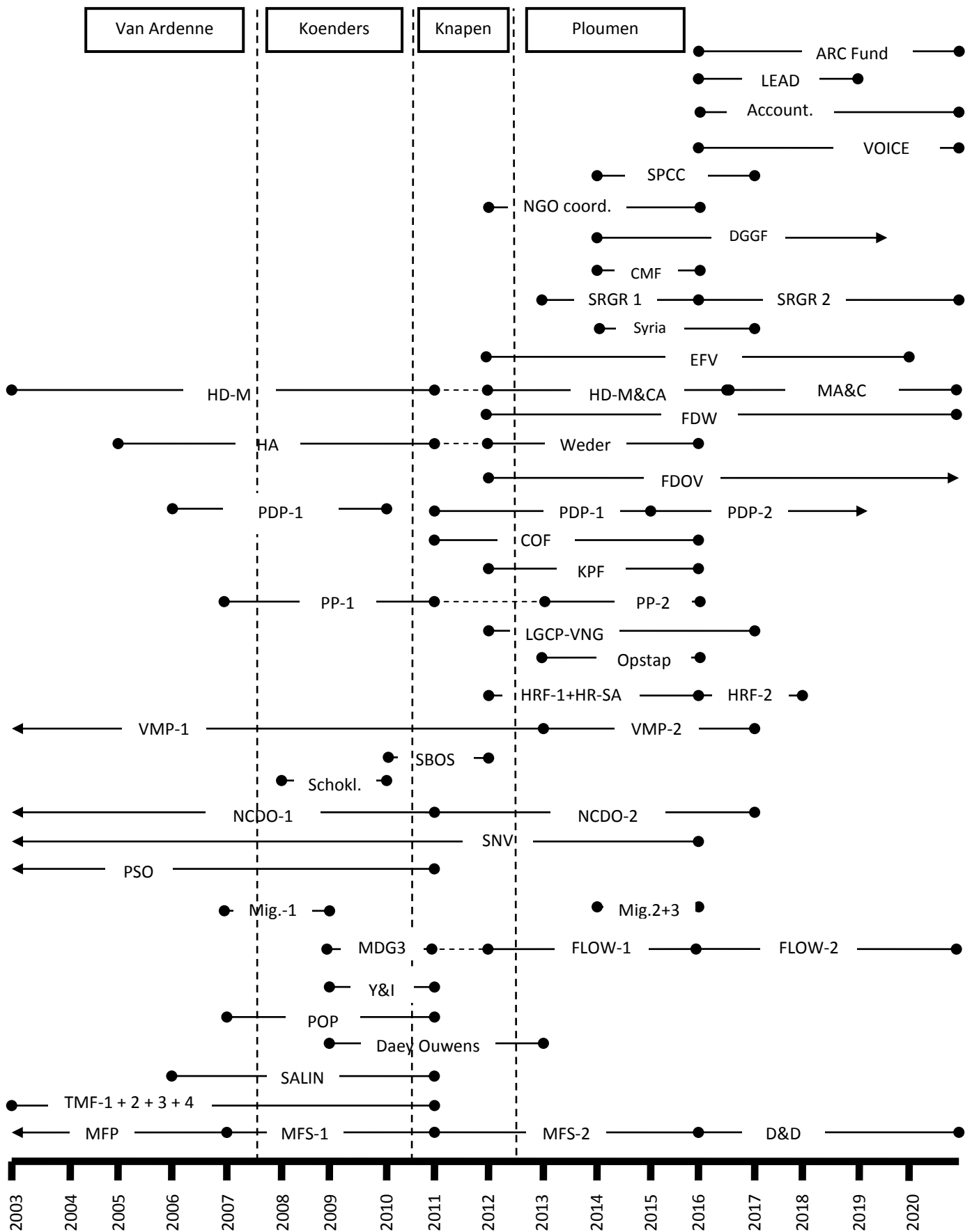
An incomplete overview of funding private organisations by DSI/MY (2002) reveals that over the period 1998–2001 no less than 345 NGOs were supported by at least eight different departments divided over some 15 different themes (ranging from social development to human rights and from culture to gender). Total funding to NGOs over this period amounted to €1,913 million. The number of 345 NGOs includes several individual funding schemes (i.e., SNV, NCDO, PSO, VMP) as well as the MFP (Co-financing programme: Cordaid, Hivos, ICCO, Plan Netherlands and Oxfam Novib). The nine Dutch NGOs under these schemes together received €1,645 million over the four-year period. This amount includes the regular subsidy granted under the respective schemes and the funding these NGOs received outside of these schemes. The five co-financing organisations (i.e., Cordaid, Hivos, ICCO, Oxfam Novib and Plan Netherlands), for instance, received €1,288.5 million under the MFP subsidy scheme but managed to add another €9 million from different departments. The NCDO managed to receive another €13 million on top of its regular subsidy of €36 million. In effect, a mere 14% (€268 million) was left for the remaining 336 NGOs. The latter organisations thus received an average contribution from the ministry of €800.000 for the entire period.

Source: Schulpen et al. 2009

Although the latter can still be doubted even today, in 1999 then Minister for Development Cooperation Herfkens started opening up this black box of NGO funding by adding Plan Netherlands to the MFP. With this she effectively broke open the monopoly position of the four CFOs. Her successor Van Ardenne more fundamentally changed the NGO funding system. In 2003, in a new (and – as later turned out – last) phase of MFP not only the four CFOs and Plan Netherlands but also Terre des Hommes were funded. At the same time a new subsidy scheme (TMF – Thematic Co-financing) was introduced for smaller, more thematic development NGOs. With new guidelines and criteria, TMF already went some way in the sought-after streamlining of NGO funding. At the same time, this was only the start of setting up, abolishing and/or continuing of a plethora of NGO funding schemes. It is thus no exaggeration to state that ‘more changes have been introduced in the grant systems since 2000 than in the thirty-five years before’ (Schulpen & Hoebink 2014: 173).

Some 50 funding schemes for NGOs have seen the light since the start of streamlining in the early 2000s, and we will delve deeper into them below. Figure 1 provides a first overview showing that every minister since the early 2000s set up new schemes and was at the same time confronted with schemes set up by her or his predecessor. Naturally, one can wonder about the relationship between the wish for streamlining (as expressed by successive ministers over the years – DGIS 2009) and the fact that in reality tens of different subsidy schemes were set up. Schulpen & Hoebink (2014: 192) suggest that this contradiction between policy and practice is due to the fact that ‘new schemes provide an opportunity to fund new priorities’ while simultaneously offering room to manoeuvre for ministers confronted with ‘untouchable’ schemes set up by their predecessors. In addition, some of the schemes are the ‘direct outcome of [...] parliamentary resolution[s]’ such as the Daey Ouwens Fund for renewable energy and the Political and Parliamentary Cooperation schemes of 2007–2011 and 2012–2016 (PP-1 and PP-2).

Figure 1. Overview of 58 NGO subsidy schemes (2003–2020)



Others would probably say that there actually is no contradiction as all the schemes met the subsidy regulations of the ministry of the early and mid-2000s and the standardised subsidy frame designed in 2010.

The subsidy regulations determine that the Minister can provide subsidies under different themes. Before 2006, the regulation (drafted under Minister Herfkens) covered seven themes (each including a large number of subthemes): sustainable economic development, HIV/AIDS and reproductive health, socio-cultural development, political development, peace and security, environment and water, and gender equality. In the latest regulations (drafted under Minister Ploumen), eight themes are distinguished – all with their own subthemes. All these are different from the ‘originals’ and range from human rights to emergency aid and from strategic partnership for lobbying and advocacy to public-private partnerships. As such, the general subsidy regulations express the general development policy of the successive ministers and show under which ‘themes’ subsidy can be provided. The exact regulations and criteria are then worked out in each separate subsidy scheme (with the regulation itself only providing some very general criteria such as the rule that the applying NGO must also contribute 25%).

The standardised subsidy frame or Standard Scheme goes one step further. It is not a subsidy scheme in the sense that organisations can draw on it but a framework providing standardised and uniform criteria on the basis of which subsidy tenders can be developed. In a letter to Parliament on 30 November 2010, then Undersecretary Knapen announced the Standard Scheme as aimed at providing a uniform framework for subsidies to NGOs alongside MFS, and as a framework providing flexibility for the ministry to react to changing circumstances and to its own policy priorities. The Standard Scheme allows for ‘flexibility in reacting to worldwide developments where an (extra) effort in (new) policy priorities is possible’ (DGIS 2010a). The basic premise of the Standard Scheme then is the idea of competition between NGOs for subsidies on the basis of tendering in which the quality of the organisation and the proposal is decisive. The Standard Scheme is one of the most important means to streamline future subsidy calls (based on fixed criteria and a tender system) while creating flexibility for the ministry (Schulpen & Hoebink 2014: 193). Although the latter is, at least to some extent, true, the fact remains that the Dutch NGO funding scene creates the impression of fragmentation.

Many of these schemes do not play a role in the public or political debate on NGO funding nor are they part of the occasional NGO policy papers of the Dutch ministry. In a 2013 letter to Parliament, Minister Ploumen elaborated on the future role of NGOs in light of ‘the new agenda of aid, trade and investments’ (DGIS 2013a). Under the heading ‘Funding civil society organizations – lessons learned’, the minister praises the adaptive nature of the Dutch ‘development sector’ to changing circumstances and explains that the Dutch government has also changed course by limiting the number of themes the Netherlands is working on, reducing the number of partner countries, emphasising private sector development and making funds available for public-private cooperation.

This 2013 ‘policy’ is the latest in a rather short line (certainly in light of the fact that NGOs have been funded since the mid-1960s) of general policy papers dealing specifically with (funding) NGOs. Essentially this ‘line of papers’ starts with the vision document called ‘Civil society and structural poverty reduction’ of 2001. After that, each of the successive ministers has published a policy paper dealing specifically with NGOs. As a rule, large parts of these papers deal with changes in the funding system and as such should mainly be seen as NGO funding policies. Simultaneously, they elaborate upon the changing government vision on the role of NGOs (and civil society more broadly) in development.

The vision document of 2001 (DGIS 2001) is the only of the post-2000 policy papers that does not share this emphasis on funding as it does not include reference to specific funding schemes. At the same time, it is the first ever real NGO policy paper of the Dutch government (despite the long history of government funding to NGOs). ‘As the outcome of a dialogue between the ministry and NGOs, this paper, entitled “Civil society and structural poverty reduction”, called for increased complementarity

between different channels of aid and for fighting poverty by facilitating (self-)organisation, combining strengths and organising countervailing power. Taking as a starting point the idea that CSOs are not the implementing arm of government policy, the paper still indicates that governments have a role to play by creating an enabling environment in which civil society can flourish. What is important is the idea that CSOs are autonomous organizations and that Southern CSOs can best be supported by their Northern civil society counterparts. This requires Northern CSOs to be autonomous, which means that the Dutch government should not impose its own policy upon them, even when it is funding their activities. Finally, the policy paper emphasized the need for core funding, as this was seen as befitting the autonomous role of CSOs' (Schulpen & Hoebink 2014: 185). Of specific interest here is the last sentence of the document stipulating that 'the government will, in cooperation with big development organisations, increase the entry for smaller development organisations and non-traditional actors to the subsidy system' (DGIS 2001). Later papers return to this issue of opening up the subsidy scheme.

In 2003, Minister Van Ardenne published her general policy paper (DGIS 2003). Under the banner of quality, the document starts from the idea of 'partnership'; calls for an integrated foreign policy, making coherence a central objective; sees a central role for the private commercial sector in development; reduces the number of partner countries of Dutch aid; and distinguishes priority themes. Less than one page of the 26-page document is dedicated to NGOs. After stating that NGOs are being funded under different programmes (with the TMF scheme being mentioned as a subsidy scheme that 'does justice to the role that NGOs play in development cooperation'), this one page is dedicated to announcing (1) the future merger of TMF and MFP (from 2007 onwards) while simultaneously abolishing the fixed percentage of 11% of the development budget for NGOs (as was then still the case for MFP) and (2) the drafting of a 'clear vision on the role of civil society in development cooperation' in consultation with NGOs. The fact that such a vision was finalised only two years earlier (see above) obviously was regarded as insufficient. Starting points for such a new vision were questions regarding partnership, coherence and (particularly) complementarity between the bilateral policy and the programmes of NGOs (e.g., by making clear working agreements between NGOs and Dutch embassies). It took another ten years before this idea of partnership between NGOs and the ministry/embassies became the norm in the major subsidy scheme for NGOs (see below under Minister Ploumen).

It also took until 2008 before Van Ardenne's call for a new broad consultation with NGOs materialised under her successor Koenders. Koenders is also the minister who wrote (and spoke) quite substantially about NGOs. This was not yet the case in his 2007 general policy paper 'Our Common Concern' (DGIS 2007) but he made up for this in a few speeches around the broad consultation of 2008 and his policy memorandum on CSOs, entitled 'Cooperation, customisation and added value' (DGIS 2009). Starting points for Koenders were new development challenges and new actors calling for a 'modernisation agenda'. At the outset, it was already clear that more was expected of NGOs (e.g., more quality, greater involvement of the general public, less fragmentation) but that this should be done with a reduced budget. NGOs were thus called upon to 'do more with fewer resources' (ibid.: 4). The grant programmes emerging under Koenders (principally MFS-2) included some additional objectives that clearly stem from the analysis in the policy paper: 'the clearest of these additional objectives is the desire to use grants as an instrument to reduce fragmentation in the NGDO sector' (Schulpen & Hoebink 2014: 187). Equally important is that in this modernisation agenda, NGOs were mainly seen as having a political role (e.g., contributing to democratisation by strengthening civil society, lobbying, advocacy) thus downplaying their service-delivery role. It would take up to 2012 before this political role of NGOs became truly central to the major NGO funding scheme.

Whereas Koenders already had to downsize the budget (and NGOs complained that their budgets were cut disproportionately), budget cuts formed the starting point for his successor, Knapen (2010–2012). According to Knapen these cuts at the same time 'created the opportunity to make sharp choices' (DGIS 2010b: 1). Central in this 'fundamental restructuring' of the Dutch development policy were the substantial reduction in partner countries of Dutch aid, a shift from social to economic development, a

move from 'aid to investments' and a reduction in the number of focus sectors. In effect, NGOs were about to lose substantial sums (including a proposed cut of 12.5% in the already agreed-upon budget for MFS-2 for the period 2011–2015 and budget cuts for SNV, VMP and PSO of in total €20 million). Knapen also announced a renewed discussion with NGOs about the 'future of the subsidy system'. His own starting point for this discussion was the idea that 'a large financial dependence from the government puts into perspective their position as representatives of a vital civil society' (ibid.: 10). NGOs were thus called upon to strengthen their ties 'with society' meaning that they in future should rely more on funds from society than on those from the government.

Continuing budget cuts were then brought together with the centrality of the political role of NGOs (as introduced by Koenders) by Minister Ploumen in 2013. With MFS-2 and a large number of thematic funding schemes coming to an end in 2015–2016, Ploumen set out to further restructure NGO funding. In her first general policy paper entitled 'A World to gain – a new agenda for aid, trade and investment' (DGIS 2013b) NGOs received scant attention. Still, the direction of Ploumen's policy was quite clear. With civil society organisations growing 'stronger in low- and middle-income countries' there is a need to prevent Dutch NGOs from 'competing with local organisations'. The central role of Northern NGOs (and at the same time the main objective of the Dutch NGO policy) then is to 'strengthen their counterparts' in the South either directly (i.e., through financial and technical support) or indirectly (i.e., by 'connecting national and global agendas for direct poverty reduction, economic cooperation and international public goods' and by 'relieving the political pressure faced by [Southern NGOs]'). At the same time, the idea in the 2001 policy paper of governments having a role to play in creating an enabling environment in which civil society can flourish comes back as well in Ploumen's NGO policy.

These objectives already point to the need for a close partnership (not only between NGOs but also with the government giving weight to Van Ardenne's ideas about complementarity) and to a much more political focus (in terms of 'providing a counterweight to governments and businesses') in the NGO policy. The latter then reflects the idea that the central role of NGOs is to hold 'development co-operation partners to account, pushing for action on national and global commitments and scrutiny to ensure productive and accountable investment of public resources' (OECD-DAC 2015: 18). For CIVICUS (2015) the targeting of 'ODA towards lobby and advocacy from 2016' onwards allows for the funding of truly change-seeking CSOs and makes the Netherlands 'a brave donor'. Ploumen's NGO policy paper (DGIS 2013a) focuses on the main subsidy scheme MFS and on direct funding via embassies, and only briefly touches on some other existing individual subsidy schemes (SNV, NCDO and VMP). This also means that the thematic subsidy schemes were not discussed even though these are the schemes that change substantially over the years and mainly contribute to the growing fragmentation of Dutch NGO funding.

The MFS-2 programme – ending in 2015 – was then essentially replaced by the D&D programme and Voice (then still called the Innovation Fund), while direct funding was brought together under the Accountability Fund. D&D primarily is a form of indirect funding (although Southern NGOs are eligible for funding). Voice is focused on 'organisations from low- and low-middle-income countries' but in fact is a mixed direct-indirect fund as 'these organisations can be situated in both the South and in the Netherlands' (DGIS 2015: 1). The Accountability Fund (Account.) is a form of direct funding (or decentralised NGO funding – see Box 7) but with the possibility that Dutch NGOs can also be involved by the Southern NGO. Importantly, all three focus on lobby and advocacy-type of activities (essentially banning service-delivery activities of NGOs from funding under these schemes) and that taken together they 'only' represent about €210 million in subsidies per year (whereas in the period 2011–2015 the MFS-2 programme on its own accounted for approximately €380 million annually).

2. NGO subsidy schemes

Under 47 different centrally administered subsidy schemes (see Box 3), the Dutch Ministry of Foreign Affairs has financed a total of 510 NGOs during 2003–2020 to the tune of nearly €10.7 billion. With at least ten schemes unknown (either because no accurate data could be found or because they are still being processed) this is in reality even higher. All schemes together draw a picture of increasing fragmentation of NGO funding since the early 2000s. In 2006, the decade-old MFP system merged with the only four years old TMF system into the so-called MFS (Co-financing system). MFS-1 ran from 2007 to 2010 and was succeeded by MFS-2 (2011–2015) and then by the D&D (Dialogue & Dissent) partnership scheme for lobby and advocacy (2016–2020). Next to these central and biggest subsidy schemes, successive ministers since 2003 have started new (and much smaller) schemes meant exclusively or also for NGOs. Some of these schemes were only set up for one year, others lasted four years and were continued afterwards. The so-called SRGR fund (Sexual and Reproductive Health and Rights) of 2013–2015, for instance, was continued under the SRGR-2 Fund (2016–2020). However, under this SRGR theme other schemes were introduced as well such as the Opstapfonds (2012–2015), Child Marriage Fund (2014–2015), Key Population Fund (2011–2015), and the Choices and Opportunities Fund (2011–2014).

Box 3. Centrally administered?

The term ‘centrally administered’ should not be equated with ‘administered by DGIS’. In reality, some of the subsidy schemes included in this report are not ‘administered’ (in the sense of selection and/or monitoring) by the ministry itself but by outside agencies. These outside agencies principally come in three shapes: (1) other governmental agencies or ministries, (2) private for-profit entities (e.g., consultancy firms), and (3) private not-for-profit agencies (e.g., NGOs and/or academic institutions. Outsourcing of selection, monitoring and/or reporting to entities outside the ministry is relatively rare. Exceptions to the rule that DGIS selects and monitors NGO schemes are the private-sector schemes also open to NGOs, which are administered by RVO (Netherlands Enterprise Agency); SBOS, where selection and monitoring was done by a consortium of Wilde Ganzen, PWC and Nederlands Jeugd Instituut; MFS-1, where selection was outsourced to an external committee; and Voice, which will be administered by Oxfam Novib and Hivos.

There are (or have been) specific schemes for humanitarian aid, demining, crisis, human rights, migration, gender equality, global citizenship, political cooperation, energy and reconstruction. Some are meant exclusively for Dutch NGOs, others exclusively for international NGOs (e.g., SALIN – 2006–2010) or Southern NGOs (Accountability Fund – 2016–2020). Some cover just one NGO (e.g., NCDO, VNG, SNV) while others include tens of them (e.g., SBOS, MDG3, FLOW). Some have a budget of just a few million (e.g., Daey Ouwers, Opstap), others have allocated more than €200 million (e.g., SRGR-2). Some are open to individual NGOs (e.g., MFS-1), others are either only or essentially meant for alliances (e.g., MFS-2). And whereas most were meant exclusively for NGOs, others were also open to NGOs. The latter mainly holds for the more recent schemes focusing on public-private partnerships such as the Fund Sustainable Water (FSW) and the Facility Sustainable Development and Food Security (FDOV).

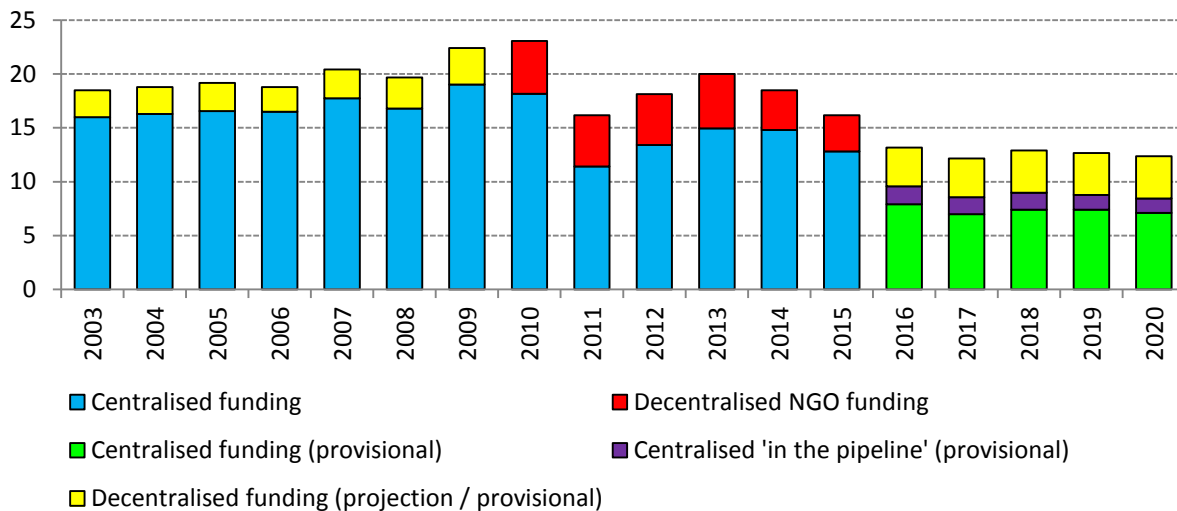
Below, we present some of the main characteristics of these schemes and the NGOs that have managed to tap into them. First we provide some overall data and changes over the years in terms of number of NGOs and amount of funding available to them. In the second part we look at such changes from the perspective of the different types of NGOs (i.e., Dutch, international and Southern), followed by an analysis using the starting from the subsidy schemes themselves. Here we make a distinction between major, minor (thematic) and individual schemes. In all cases, data for the period 2016–2020 is ‘provisional’.

Box 4. NGO funding and total Official Development Assistance (ODA)

Twenty-five percent is some kind of magic percentage in Dutch NGO funding. It relates, for instance, to the idea that NGOs should fund 25% of their total budget from other sources than those of the Dutch government.

Essentially this is an old idea that is directly responsible for the term '*medefinanciering*' (co-financing). However, it also relates to the idea that 25% of the Dutch ODA budget should be used for funding NGOs. Although it is a bit unclear where this idea exactly comes from, the latest budget discussions in Parliament led to a call from the Christian Democrats to indeed spend 25% of the budget on funding NGOs. Although the minister did not support a specific motion to this end, she did announce that she 'strives to reach the 25%'.

Figure 2.1 NGO funding as percentage of total ODA (2003–2020)

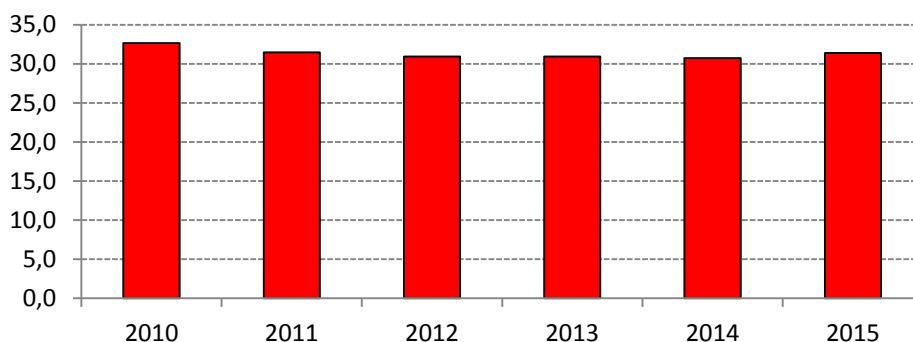


Source: NGO funding database CIDIN, HGIS nota (several years)

Notes: Centralised funding (*blue* and *green*) refers to the funds through the tens of funding schemes discussed in this report. Decentralised funding data for the years 2010–2015 (*red*) are based on data provided by the Ministry of Foreign Affairs from its own internal administration, while those for 2003–2009 (*yellow*) are estimates based on IOB 2014, Ruben et al. 2008, and the internal administration of the ministry. Data for 2016–2020 (*yellow*) are projections based on developments in decentralised funding up to 2015. Finally, for the period 2016–2020 the yet-to-be-awarded funds under such schemes as Voice, ARC Fund and LEAD have been added (*purple*).

The question then immediately pops up of how realistic this ministerial promise is. Looking back over the period 2003–2015, Table 2.1 shows that total NGO funding (that is: centralised plus decentralised funding) on average was 19.2% of total ODA with a peak of 23% in 2010 and a low of 16% in 2011. That means that even in the best year, the ministry was €95 million short of reaching the 25% mark. The period 2016–2020, however, shows a completely different picture. For the coming years, already-awarded grants under different schemes *plus* still-to-be-awarded grants under centralised funding (also see Annex 1) *plus* a projection of funds through Dutch embassies to NGOs together are expected to reach 13% of ODA maximum. Put differently: for the coming years it is highly likely that the ministry will manage to add an extra €0.5 billion (or even more) annually to its NGO budget. The 'striving' promise of Ploumen then seems simply impossible to reach.

Figure 2.2 NGO funding as percentage of ODA administered by the Ministry of Foreign Affairs



Source: author's calculations based on data from the Ministry of Foreign Affairs

Note: Includes all expenditures from centralised and decentralised NGO funding.

This is different if we would only look at the ODA budget ‘administered’ by the Ministry of Foreign Affairs (i.e., the Directorate General for International Cooperation DGIS).^{*} Data from the internal administration of the ministry shows that between 2010–2015 more than 30% of the DGIS ODA budget went to NGOs (and this includes both centralised and decentralised funding) (see Table 2.2 below). From this perspective, it seems more realistic to expect the ministry to fulfil the 25% wish of Parliament. But even here, the fast-growing expenditure for asylum seekers (reaching nearly 25% of total ODA already in 2014 according to DAC data) might easily play havoc – certainly also because part of these asylum seekers funds are actually front-loaded from future ODA budgets.

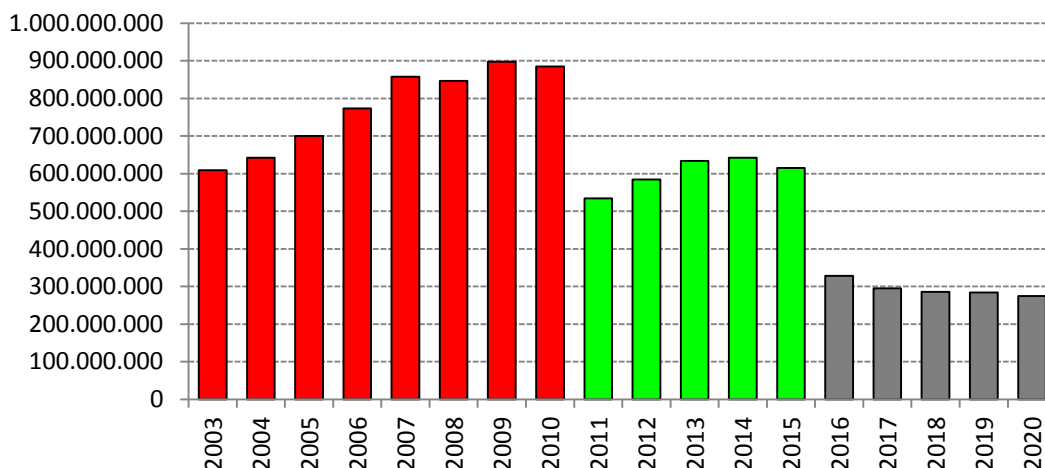
^{*} DGIS (or, at present, the Ministry for International Trade and Development) is not the only government agency/ministry responsible for ODA. Of the total amount of ODA in 2014 of €3.7 billion, 62.8% directly fell under ‘International Trade & Development’ (MoFA 2013). The Minister of Foreign Affairs held 13.9% (for a large part staff costs, but including also human rights, security and specific costs related to ‘an effective, efficient and coherent performance of the European Union’). Smaller ODA amounts were administered by the Ministry of Finance (2.1%, i.e., multilateral development banks), Education, Culture & Science (1.5%), Security and Justice (0.2%), Economic Affairs (0.13%), and Infrastructure & Environment (0.0007%). Total ODA also included specific costs for asylum seekers (6.3%), export credit insurance (4.0%) and contributions to the EU budget for development (8.9%).

2.1 Total funding and number of NGOs

Overall, the period 2003–2020 can be divided into three phases (see Figure 2). The first covers the period 2003–2010 with total subsidies reaching a peak of nearly €900 million in 2009 and an average annual subsidy amount of over €770 million. The second runs from 2011 up to 2015 (the period of MFS-2) with overall subsidies going down to around €600 million annually. The final period starts in 2016 and again sees a further drop in total subsidies. Taking into account the planned but not yet decided upon programmes, total annual NGO funding will be around €300–350 million in the coming years.

As such, central funding to NGOs in the Netherlands has declined by more than 50% over a period of only a few years. Not surprisingly, the total number of NGOs being supported annually has declined as well although not to the same degree. Sticking to the same three phases determined above, Figure 3 shows that between 2003 and 2010 each year on average 193 NGOs were supported. Between 2011 and 2015 this was 175 (but most likely a bit higher because of data problems for the year 2011), and between 2016 and 2020 the available data shows an average annual number of 140 NGOs.

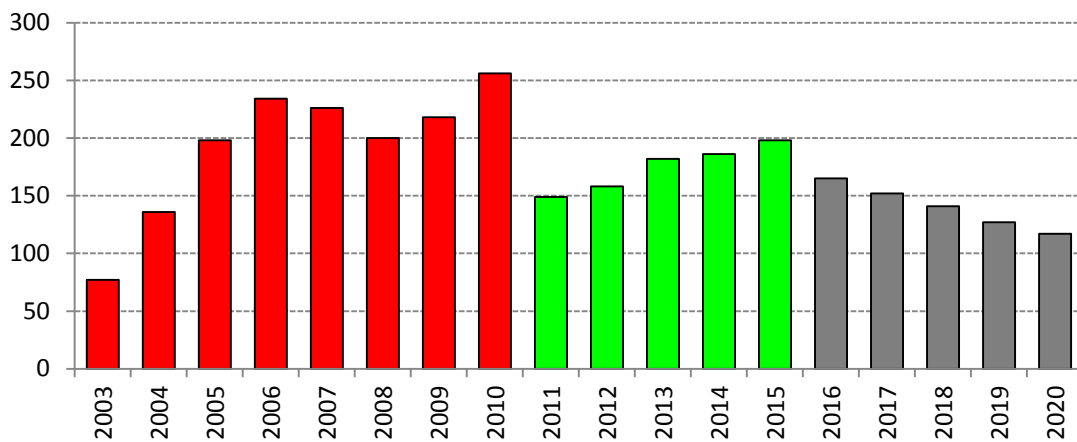
Figure 2. Total subsidies to NGOs (2003–2020) – in €



Source: NGO funding database CIDIN

Note: Data for the period 2016–2020 is incomplete.

Figure 3. Total number of NGOs receiving a subsidy (2003–2020)

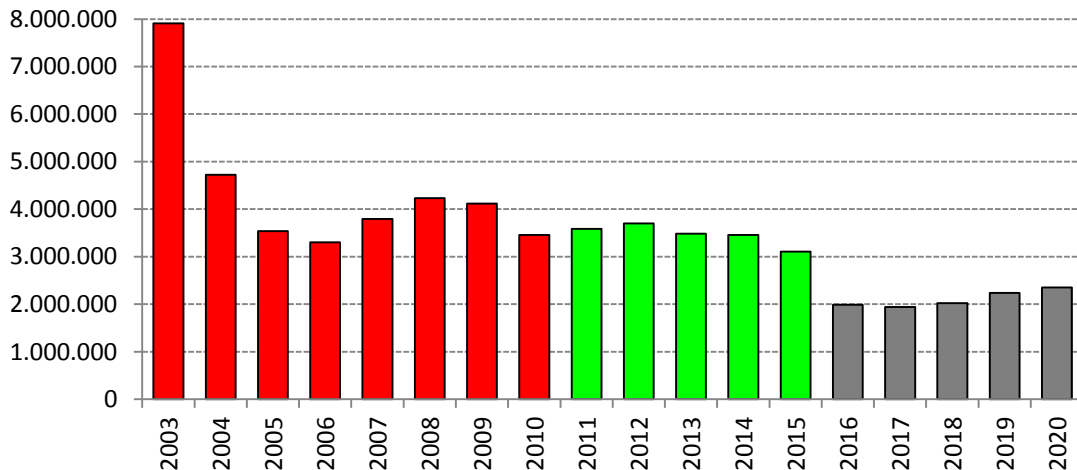


Source: NGO funding database CIDIN

Note: Data for the period 2016–2020 is incomplete.

In effect, the average contribution remains for a long time above €3 million annually per NGO (see Figure 4). For eight years between 2003 and 2015, this average amount stays relatively constant at around €3.5 million with only 2004, 2008 and 2009 reaching above €4 million (and 2003 – marking the start of the general overhaul of the NGO funding system – being an exception with a relatively high subsidy provided to a low number of NGOs). Only in 2015 it drops to €3.1 million. From 2016 onwards, the average contribution takes a dip to (less than) €2 million annually, then climbing slowly in 2019 and 2020.

Figure 4. Average subsidy amount per NGO (2003–2020)



Source: NGO funding database CIDIN

Note: Data for the period 2016–2020 is incomplete.

Data for the period 2016–2020 is, however, preliminary as there are several schemes that still await a decision on which NGOs will receive funding. The number of NGOs and the total amount made available will thus increase in the coming period. Nevertheless, considering the relatively small size of the yet-to-be-allocated subsidies it seems safe to state that the period 2016–2020 will be substantially different compared to earlier periods. Although it certainly is not the first period witnessing a substantial decline in government funding to NGOs, it seems to become the first where the total number of NGOs supported and (thus) the average subsidy figures per NGO show a substantial decline as well.

2.2 Types of NGOs

Naturally, NGOs are not equal. Here, three differences between NGOs are highlighted: (1) origin (how do NGOs compare in terms of where their headquarters are situated?), (2) size (how do NGOs compare in terms of funding received?) and (3) duration (how do NGOs compare in terms of the number of years they receive funding from the Dutch government?).

Origin

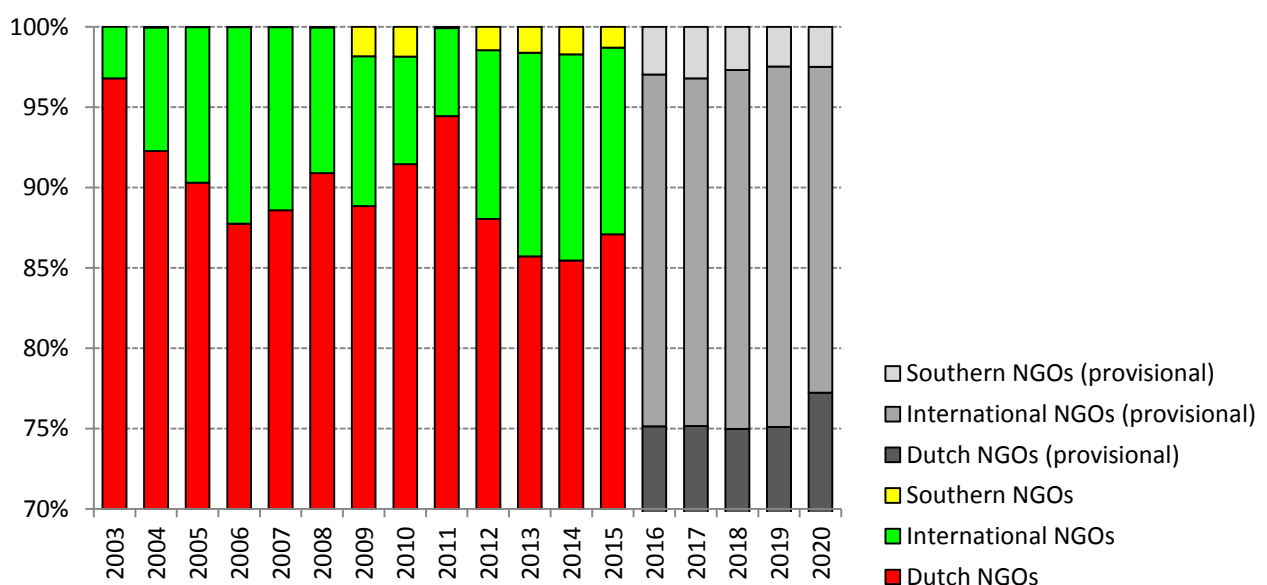
Origin played some role in the history of Dutch NGO policy (e.g., non-Dutch NGOs being excluded from TMF-3 and TMF-4 – also see Schulpen & Hoebink 2014: 188–189) and is generally regarded as a major challenge as donors tend to privilege their ‘own’ NGOs above those originating from other countries (and certainly those from developing countries). Data on NGO funding for the period 2003–2020 shows that the Netherlands is no exception to this rule (see Box 5) although over the years there have been some (minor) changes. A distinction is made here between Dutch or national NGOs (NNGOs), international NGOs (INGOs) stemming from other countries in the North, and NGOs from developing countries (SNGOs) on the basis of where the headquarters of the concerned NGO are located.

Box 5. Preference for ‘own’ NGOs – DAC data

DAC data are seen as notoriously unreliable regarding data on CSO or NGO funding. Still, such data allows for comparisons between donor countries, for instance in terms of their preference for their own NGOs. More than 80% of NGO funding in Austria went to donor-country-based NGOs in 2011, while Korea even reaches above 90%. With most DAC donors providing more than 60% of their NGO funding to these donor-country NGOs this is below 50% only for the United Kingdom, Sweden, and Japan (OECD 2011; OECD 2013). Here, the Netherlands is comparable to Ireland with (in 2011) around 70% of all NGO funding going to donor-country-based NGOs, international NGOs and developing-country-based NGOs sharing the remaining 30% almost equally.

Note that the donor-country-based NGOs in the DAC system are *not* necessarily NGOs that are based and operate in the donor country. They may as well be based and operate in Germany or Belgium (i.e., ‘another developed (non-ODA eligible) country’). As such, the difference between donor-country-based NGOs and international NGOs distinguished in the DAC reporting system is different from the distinction between Dutch NGOs and international NGOs used here.

Figure 5. Division of subsidy amount per type of NGO (2003–2020)



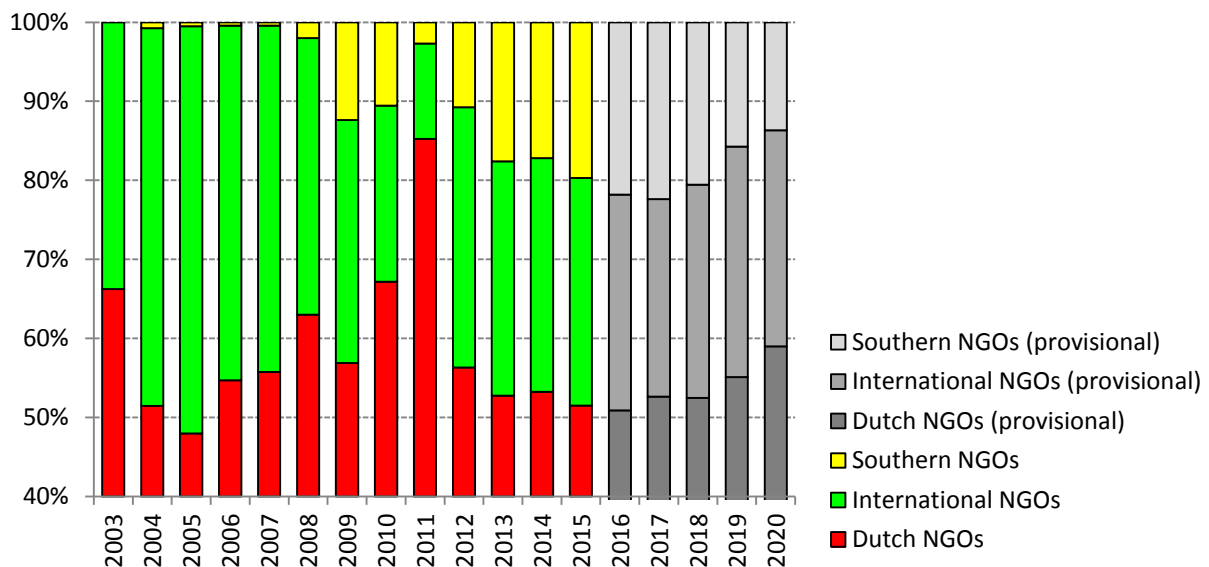
Source: NGO funding database CIDIN

Note: Data for the period 2016–2020 is incomplete.

Figure 5 then shows that NNGOs are by far the most prevalent type receiving government funding – certainly when looking at their share of funding. Over the entire period 2003–2020, Dutch NGOs received 87.8% of all subsidies, with 11.2% going to INGOs and 1.1% to SNGOs. Still, and despite the fact that it concerns relatively small amounts and percentages that tend to fluctuate, INGOs and SNGOs have become (somewhat) more important over the years. This is most clear from 2016 onwards – although there are still some open schemes in this period.

This relative prominence of SNGOs and INGOs is more clearly seen when looking at the number of NGOs supported. Figure 6 shows that Dutch NGOs make up between 48% (2005) and 85% (2011) of all NGOs that receive funding in any given year. Most likely, the percentage of NNGOs will decline in the coming years once all funds under the different schemes for the period 2016–2020 have been allocated. On average, in each year nearly 43% of all NGOs receiving funding from the Dutch government is of non-Dutch origin. It is in this category that the main change has taken place with (from 2009 onwards): a growing – albeit somewhat fluctuating – number of funded Southern NGOs. It should be stressed that this is an importance in terms of number of NGOs and not in terms of money. Even in the best of years (2009 and 2010) SNGOs receive only €16.5 million or a meagre 1.8% of the total subsidies granted. In terms of percentage, they will do better in 2016 and 2017 (reaching at least 3.6%) but that will be from a substantially reduced budget.

Figure 6. Number of NGOs receiving a subsidy, per type of NGO (2003–2020), in % total

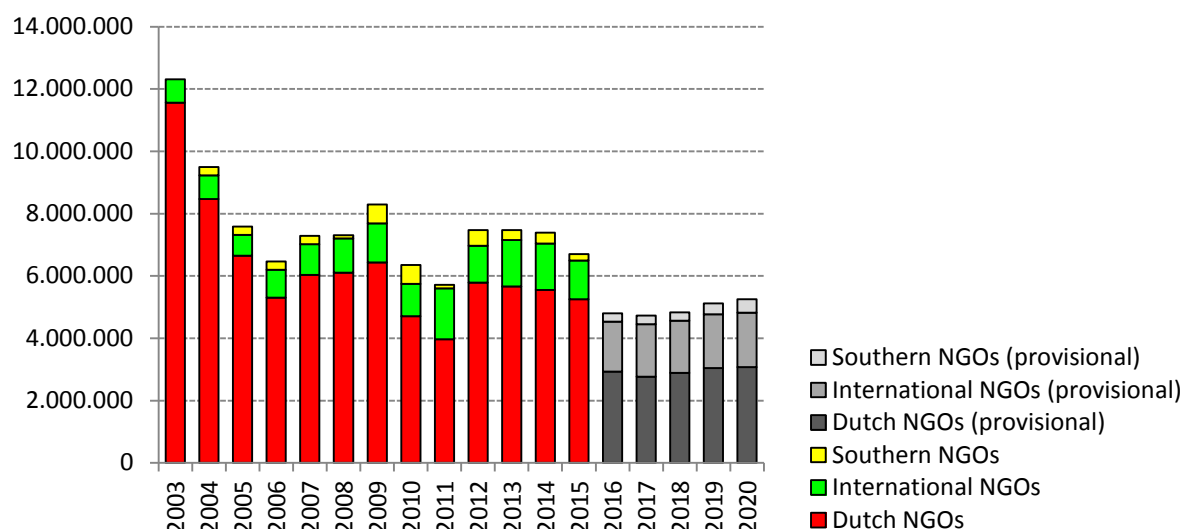


Source: NGO funding database CIDIN

Note: Data for the period 2016–2020 is incomplete.

Overall, from 2003 to 2020 a total number of 510 NGOs have received or will receive funding (see Box 6). Just over half of them are of Dutch origin (257, 50.4%), while 187 (36.7%) can be classified as INGOs and the remaining 66 (12.9%) as SNGOs. These Dutch NGOs not only receive the most funds in total but also on average per organisation. As expected, the difference between NNGOs and INGOs in terms of average subsidy amount will be reduced substantially from 2016 onwards. This is, however, not so much because each INGO suddenly will receive substantially more but mainly because the average amount per Dutch NGO will decrease substantially. In 2009, each Dutch NGO received on average more than €6.4 million, whereas this will be down to €5.2 million in 2015 and will be further reduced to around €3 million in the coming years. The average contribution from centrally administered subsidy schemes to SNGOs was only 3.9% of that for NNGOs in 2015 and has never reached more than 13% (in 2010) (see Figure 7).

Figure 7. Average subsidy amount per NGO, per type of NGO (2003–2020)



Source: NGO funding database CIDIN

Note: Data for the period 2016–2020 is incomplete.

Box 6. Acceptance and rejection

That 510 NGOs are or have been supported under the 47 subsidy schemes discussed here does not mean that these 510 were the only organisations that applied for funding. Ever since the reshuffling of the funding system starting at the end of the 1990s, subsidy schemes generally use a system where NGOs have to apply for funding, where they have to compete with other organisations and where they thus can be rejected. Even under the last MFP, the six eligible organisations had to apply and although none of them was rejected it marked a fundamental change from a system where government funding for the major NGOs was effectively renewed every four years without the then four CFOs having to compete with anyone else. TMF was the first more structured and open application process set up by the ministry and every funding scheme since then has been set up in about the same manner. The only ‘half-exception’ perhaps is SALIN. This scheme was not only meant exclusively for International NGOs but the INGOs that eventually put in a proposal were actually preselected by the ministry and none of them was rejected in the end. This application-by-invitation is perhaps applicable as well to a few others (principally the individual schemes) but in general the ministry uses some kind of tendering system.

Table 5.1 Approval of applications – some examples

Scheme	Applications*	Approved		Scheme	Applications*	Approved	
	#	#	In %		#	#	In %
MFP	6	6	100%	SRGR-1	76	11	14%
SALIN	20	20	100%	Opstap	2	1	50%
MFS-2	43	20	47%	CMF	7	4	57%
SBOS**	101	59	58%	D&D	65	25	38%
PDP-2	13	7	54%	LEAD	18	4	22%
COF	27	4	15%	SRGR-2	12	7	58%
KPF	1	1	100%	FLOW-2	264	9	3%
FLOW-1	177	30	17%	TOTAL	832	208	25%

* Refers to either individual NGOs or alliances

** Only for the first round. Unknown how many proposals were put forward in rounds 2 and 3.

Table 5.1 provides an overview of applicants for selection of the 47 subsidy schemes under investigation here, and shows that the number of applicants (whether individual NGOs or alliances) in most cases far outweighs the number of approvals. Overall, applicants have a one-in-four chance of being rewarded with a government subsidy. In some cases, the outcome of the selection process was contested with applying NGOs. Over the years several of

them thus opted to formally object to the decision made (either because they were rejected on the basis of the threshold criteria or because the amount asked for was unilaterally cut) and some of them even brought their case to court. Objections are only rarely honoured. Interestingly, a large number of applications did not pass the threshold criteria (meaning as well that their proposal was not even considered). Of the 177 applications for FLOW-1, for instance, 61 (34%) were rejected on the basis of threshold criteria, and this was even 60% for FLOW-2.

In other cases, there was more general critique of the selection process (see, for instance, Ruben & Schulpen 2009 for a critique of MFS-1). The latest of these concerns the FLOW-2 assessment for the period 2016–2020. With 265 applications of which only nine were accepted (all from NNGOs and INGOs), the ministry received some strong critique (principally for ‘excluding’ SNGOs from funding whereas they were important recipients in FLOW-1). Following this critique and parliamentary questions asked by the opposition party Green Left, the minister felt obliged to officially respond, stating that gender remains a central element in Dutch development policy, that the large number of applications ‘confirms the worldwide deficit in funding for gender equality’, that the ministry unfortunately is not in a position to fund all proposals put forward, and that an additional €5 million annually will be set aside within the Accountability Fund (period 2016–2020) to fund ‘feminist organisations in the South’ (DGIS 2016).

In her critique of the procedure and outcome of the FLOW-II tender, Brand (2015) also raises the important (and often forgotten) point of the costs in applying for funding without any security that these investments will lead to the desired funding. Although her own quick-and-dirty calculation that the 265 proposals put forward for FLOW-2 had cost the applying organisations between €12 to €20 million is unverifiable, it is clear that applying for funding costs money and that when proposals are not funded this investment is money lost.

Size

The above discussion shows that the average annual subsidy per NGO has declined substantially in the last few years. Although this may be true (and hold for the majority of NGOs supported), there is quite some variance among NGOs. In fact, the average subsidy is extremely misleading as in reality the subsidies provided by the Dutch government to individual NGOs range between less than €1.000 to more than €131 million per year.

Table 1. Average and real subsidies (2003–2020) (in € ‘000)

	Total # NGOs receiving subsidy	Total subsidy	Average subsidy per NGO	Lowest subsidy	Highest subsidy
2003	77	608.909	7.908	65	110.000
2004	136	642.256	4.722	50	110.000
2005	198	700.061	3.536	46	110.000
2006	234	772.989	3.303	10	110.000
2007	226	857.751	3.795	10	131.250
2008	200	846.332	4.232	1	131.250
2009	218	897.827	4.118	1	131.250
2010	256	884.719	3.456	1	131.250
2011	149	534.285	3.586	1	74.719
2012	158	584.728	3.701	1	79.734
2013	182	634.004	3.483	5	79.734
2014	186	642.477	3.454	7	79.734
2015	198	614.568	3.104	7	79.734
2016	165	327.925	1.987	7	15.931
2017	152	294.697	1.939	6	15.931
2018	141	285.268	2.023	6	15.931
2019	127	284.060	2.237	6	15.931
2020	117	274.871	2.349	1	15.831

Source: NGO funding database CIDIN

Note: Data for the period 2016–2020 is incomplete.

The smallest NGO recipient is the Swiss-Sierra Leone Development Foundation (SSLDF), which received a total of €4.788 over a period of four years (see Table 2). This INGO is joined by two SNGOs and 12 NNGOs to form the bottom 15 recipients of Dutch NGO funding over 2003–2020. Together these 15 account for 0,005% of all funding over that period. It should be kept in mind that it takes another 196 NGOs to reach 1% of total funding. The top 15 NGO recipients (all Dutch NGOs) take in more than 67% of all funding made available over 2003–2020, and even here numbers 13, 14 and 15 each only add less than 1%. Dutch NGO funding is thus not only highly geared towards Dutch NGOs but also to only a few happy ones while providing small amounts to a very large number of NGOs.

Table 2. The 15 largest and 15 smallest NGO recipients of Dutch NGO funding (2003–2020) – in type of NGO, total subsidy, # of years receiving funding and # of schemes tapped into

	Name	Type	Total	Cumulative	Years	Schemes
1	Oxfam Novib	NNGO	1.323.443.244	12,4%	18	10
2	Cordaid	NNGO	1.306.972.844	24,6%	18	9
3	ICCO	NNGO	1.294.242.056	36,7%	18	9
4	SNV	NNGO	1.006.532.541	46,2%	18	4
5	Hivos	NNGO	819.326.646	53,8%	18	9
6	NCDO	NNGO	284.900.000	56,5%	15	2
7	PSO	NNGO	221.085.863	58,6%	8	2
8	Plan Nederland	NNGO	190.952.223	60,3%	15	7
9	FNV Mondiaal	NNGO	146.006.353	61,7%	18	3
10	Rutgers WPF	NNGO	126.950.109	62,9%	16	8
11	IUCN	NNGO	110.823.174	63,9%	18	5
12	PAX	NNGO	100.180.315	64,9%	18	8
13	NIMD	NNGO	96.772.185	65,8%	17	6
14	Terre des Hommes Nederland	NNGO	90.752.561	66,6%	18	5
15	Aids Fonds	NNGO	88.955.058	67,5%	14	5
16-495			3.479.838.505	99,9%		
496	Nederlands Migratie Instituut	NNGO	51.053	99,9%	3	1
497	Intent	NNGO	50.000	99,9%	3	1
498	Nieuwkomers & Vluchtelingenwerk	NNGO	50.000	99,9%	3	1
499	Rabobank Foundation	NNGO	46.400	99,9%	8	1
500	Stichting Waterhelp	NNGO	46.400	99,9%	8	1
501	Arthavida Foundation	SNGO	46.400	99,9%	8	1
502	African Diaspora Policy Centre (ADPC)	NNGO	39.135	99,9%	3	1
503	Venik	NNGO	36.364	99,9%	5	1
504	Basanene Dealership & Dev. Association	SNGO	36.364	99,9%	5	1
505	Kontakt der Kontinenten	NNGO	30.000	99,9%	3	1
506	Stichting VJ Movement Foundation	NNGO	21.000	99,9%	2	1
507	Development Support Front	NNGO	17.281	99,9%	2	1
508	Stichting Avanco	NNGO	15.609	99,9%	2	1
509	Mwanawaleza Foundation	NNGO	8.134	99,9%	5	1
510	Swiss Development Organisation (SSLDF)	INGO	4.788	100.0%	5	1

Source: NGO funding database CIDIN

Note: Data for the period 2016–2020 is incomplete.

Not surprisingly, the happiest of these Dutch NGOs are ICCO (top receiver during 2003–2010), SNV (2011), Cordaid (2013–2015), and Oxfam Novib (2012 and 2016–2020). Directly below these top receivers are the remaining CFOs – at least between 2003 and 2015. In 2016, Aids Fonds suddenly joins the top 5 (with Rutgers Nisso Group following in 2017) where it will remain up to 2020 (not paying attention to those subsidies that still have to be granted for that period). The latter already shows that

the front position of the traditional four NGO recipients of Dutch government funds has finally been broken open from 2016 onwards, although they remain major recipients. The changing position of ICCO illustrates this. From a first position up to 2010 it goes down to the 16th position in 2016.

ICCO is also a perfect example of a ‘faller’ in terms of government funding. Between 2003 and 2010, it still received on average over €120 million per year from the Dutch government. Between 2011 and 2015, this went down to some €61 million and between 2016 and 2020 it will see a further decrease to around €6 million. Put differently, ICCO saw its contribution from the Dutch government come down by 49% and 90% respectively. Besides, ICCO now needs more separate funding schemes to reach that much lower amount. A similar story can be told for most of the top receivers. But still, not all NGOs are a financial victim of the changing policy and (particularly) the decreasing budget allocations to NGOs.

Overall, NGOs can receive a subsidy in all three periods, in two periods (not necessarily consecutive ones), or only in one period distinguished here (see Figure 8). Of the 510 NGOs, 262 (51.4%) only received funding in one period. The largest part of these – 209 NGOs – only received funding in period 1 (2003–2010), 31 NGOs only in period 2 (2011–2015), and the remaining 22 NGOs only in period 3 (2016–2020). Naturally, all of the 2003–2010 or 2011–2015 NGOs lose out as they are no longer subsidised at all in the next period.

It becomes more interesting when looking at the 175 NGOs (34.3%) that receive funding during two periods. In most cases this is in two consecutive periods (i.e., 105 in period 1 and 2; 63 in period 2 and 3). That leaves seven NGOs that skip one period – they thus received funding between 2003 and 2010 and again between 2016 and 2020. Of the 105 who were funded during 2003–2010 and during 2011–2015 a large majority (92 NGOs or 87.6%) received a higher amount in the latest period. The move from period 1 to 2 was thus beneficial for nearly nine out of ten NGOs. The switch from 2015 to 2016 (for those 63 NGOs that were able to tap into Dutch government funding during 2011–2015 and during 2016–2020) was beneficial for just over half of them. With one NGO not seeing a change at all, 29 (46%) lost out. Of the small group of seven NGOs that received funding during 2003–2010, skipped the period 2011–2015, and were again selected for 2016–2020, only one NGO returned with a lower annual subsidy and six actually gained. For all these groups combined losses range between 2% and 99% compared to the earlier period. Young in Prison, for instance, received an average annual subsidy of nearly €92.000 over 2003–2010 but saw this reduced to €5.375 during 2011–2015. Gains are, however, in some cases substantial as well. Saferworld, for instance, went from an average annual subsidy of €74.000 (2003–2010) to just over €1.0 million (2011–2015) and UTZ Certified from €68.000 (2011–2015) to €3.7 million (2016–2020) – an increase of 5.334%.

Figure 8. Winners and losers per number of periods an NGO received a subsidy (2003–2020)*

	Number of periods an NGO received a subsidy		
	1	2	3
	262 (51%)	175 (36%)	73 (14%)
Loss		43 (24%)	13 (18%)
Profit		132 (76%)	24 (33%)
Loss + profit			15 (20%)
Profit + loss			21 (29%)

Source: NGO funding database CIDIN

Note: Data for the period 2016–2020 is incomplete.

* Based on average subsidy per year in each of the periods

Table 3. Constant winners and losers between 2003–2010, 2011–2015, and 2016–2020 (on the basis of average annual subsidy amount per period, in €)*

	Type	2003–2010 Average annual subsidy	2011–2015 Loss/gain in % previous period	2016–2020 Loss/gain in % previous period	2016–2020 Average annual subsidy
IUCN Nederland	NNGO	4.809.783	+18,1%	+11,7%	6.343.440
Nederlandse Rode Kruis	NNGO	1.582.680	+128,7%	+3,6%	3.750.000
IPM	INGO	1.500.000	+34,7%	+31,7%	2.660.000
Stichting Aids Fonds	NNGO	1.280.507	+274,9%	+112,5%	10.200.600
Milieudefensie	NNGO	1.174.729	+4,5%	+243,4%	4.216.780
Both Ends	NNGO	1.039.937	+133,0%	+160,9%	6.322.800
Mama Cash	NNGO	750.000	+53,1%	+346,6%	5.128.000
Transnational Institute	NNGO	712.230	+61,4%	+27,3%	1.463.700
IPAS	INGO	695.000	+259,7%	+45,0%	3.625.000
SOMO	NNGO	650.000	+224,1%	+66,4%	3.506.000
Kinderpostzegels Nederland	NNGO	633.653	+43,4%	+146,6%	2.241.600
AWEPA	INGO	415.750	+463,0%	+15,6%	2.705.020
DNDI	INGO	371.750	+696,2%	+2,7%	3.040.000
Schone Kleren Campagne	NNGO	362.518	+28,2%	+28,0%	595.000
International Alert	INGO	350.000	+102,3%	+17,5%	832.000
Just Associates (JASS)	INGO	187.500	+190,2%	+70,8%	929.450
Fair Wear Foundation	NNGO	174.023	+133,1%	+58,0%	641.000
Dance4Life	NNGO	166.563	+311,5%	+138,3%	1.633.440
Climate Centre - Red Cross	NNGO	158.059	+130,3%	+56,6%	570.000
CREA	SNGO	131.250	+165,8%	+59,9%	557.670
FCAM	SNGO	125.000	+368,8%	+173,5%	1.602.500
International Crisis Group	INGO	100.000	+460,0%	+14,3%	640.000
CHOICE	NNGO	96.875	+310,8%	+323,8%	1.686.340
GNP living with HIV/AIDS	NNGO	87.500	+433,3%	+22,4%	571.257
ICCO	NNGO	120.662.445	-49,4%	-90,3%	5.930.627
Oxfam Novib	NNGO	112.671.999	-34,2%	-78,5%	15.911.725
Cordaid	NNGO	108.975.196	-30,7%	-82,8%	13.009.000
SNV	NNGO	84.512.412	-28,7%	-88,1%	7.174.686
Hivos	NNGO	63.211.250	-16,2%	-76,9%	13.231.002
NCDO	NNGO	29.300.000	-71,0%	-81,2%	1.600.000
FNV	NNGO	10.975.485	-20,1%	-41,7%	5.114.930
NIMD	NNGO	6.812.500	-32,4%	-19,6%	3.704.980
Agriterra	NNGO	6.812.500	-99,5%	-33,3%	21.333
HALO Trust	INGO	5.232.077	-58,9%	-85,7%	307.467
CNV	NNGO	5.038.615	-6,4%	-26,2%	3.478.790
Tear	INGO	596.809	-16,2%	-50,0%	250.000
Stichting Heifer	NNGO	154.642	-88,7%	-45,2%	9.570

Source: NGO funding database CIDIN

Note: Data for the period 2016–2020 is incomplete.

* For determining the top 10 of winners and losers only those 32 NGOs are included that have been funded during all three periods and have either seen a constant increase or a constant decrease of the average annual subsidy during these periods.

The most interesting group is the one with NGOs that have received funding in all three periods. This holds for a total of 73 NGOs (14.3%) including almost all major recipients. Fifteen of these lose out when moving from period 1 to period 2 but gain again when moving to period 3. For 21 NGOs this is exactly the other way around. Of the remaining 37 NGOs in this group, 24 see their average annual subsidy

increasing with each period and 13 see a constant decline. This latter group includes the four original CFOs (ICCO, Hivos, Oxfam Novib and Cordaid) and those for which an individual subsidy scheme was in place prior to 2016/2017 (i.e., NCDO, SNV, and the two labour unions CNV and FNV). The former group includes some smaller Dutch NGOs such as Aids Fonds. In terms of changes compared to the previous period, both losses and gains can be substantial, as Table 3 shows, indicating as well that ‘constant losers’ are mainly Dutch NGOs with an occasional INGO, while ‘constant winners’ is a more mixed group that also includes some SNGOs (see Box 7).

Box 7. Financial impact of decreasing Dutch government subsidy – the case of the four original CFOs

The four original CFOs (Cordaid, ICCO, Hivos and Oxfam Novib) are – together with SNV – the biggest losers of the changing subsidy regime of the Dutch government. Together they received between 2003 and 2010 on average €405 million per year, while this was €263 million over the period 2011–2015. For 2016–2020, they are now scheduled to receive an average annual subsidy of €47 million (but this will most likely still increase if and when the still open subsidy schemes have been finalised). Considering the fact that government subsidies made up between 91% (ICCO and Hivos) and 56% to 57% (Oxfam Novib and Cordaid) of the total income of these four CFOs in 2010 it thus seems logical to expect that the substantial decrease in Dutch government subsidies has had an enormous negative financial impact on these organisations. To check whether and to what extent this is indeed the case, we use the financial overviews for the period 2010–2015 provided by CBF (Central Bureau on Fundraising, www.cbf.nl).*

Cordaid

In 2010, the total income of Cordaid amounted to €180.7 million, of which 57.5% (€104 million) came from government subsidies. Most likely, nearly all of these government funds were from the Dutch government. With these latter government subsidies going down in 2011, total income naturally also took a dip. According to CBF data, Cordaid’s total income reached €111.7 million in 2011 (a decrease of 38% compared to 2010). Cordaid thus managed to partly compensate for the loss of government subsidies in 2011 – mainly by increasing its income from own fundraising and from actions of other organisations. In 2012, its total income already went up again reaching nearly €130 million. In 2013 and 2014, Cordaid was again at the same (or even above) total income level as it had been in 2010. The main reason for this fast recovery was government subsidies, in this case not from the Dutch but from other governments. While Dutch government subsidies did slightly increase in 2012 and then remained at the same level of around €79 million in 2013–2015, total income from government subsidies (including those from other governments) reached a staggering €130 million in 2013 and even €139 million in 2014. In short: Cordaid compensated for decreased funding from the Dutch government principally by tapping into funds from other governments meaning as well that its financial dependency on governments increased from 57.5% in 2010 to 73.7% in 2014. Its income from its own fundraising activities (and from those of or with others) at the same time decreased by €5 million over 2012–2014, while its income from investments went up with 342%.

ICCO

In contrast to Cordaid, ICCO has not regained its full financial strength after the cut in government funding in 2011, although the loss in Dutch government funding was largely replaced. Its total income of more than €103 million in 2010 decreased to €70 million in 2011 but went up again in 2012 to €97 million. In 2013 and 2014, the organisation each year lost a few million from its total budget. This development in total income is in line with those in subsidies from governments that after the dip in 2011 went up again, but was not sufficient to regain the relatively high level of governmental funding in 2010. This suggests that its dependency on official funding sources is still high (although it did decrease from 91% in 2010 to 85% in 2014) and that also ICCO compensated for decreasing Dutch government funding by looking for funds from other governments. The latter is strengthened by the fact that its income from own fundraising activities increased from €240.000 in 2010 and 2011 to around €500.000 in 2012 and 2013 but was down to below the 2010 level again in 2014.

Oxfam Novib

In terms of both total income and subsidies from governments, Oxfam Novib equals Cordaid. A dip in 2011 (with a loss of 27% in total income and of 34% in government subsidies) is thus followed by a quick recovery – even to such an extent that total income (and also income from government subsidies) was already higher in 2013 than in 2010. In 2010, Oxfam Novib’s total income amounted to €177 million; in 2013 it reached €207 million. As with Cordaid and ICCO, this increase has mainly been possible by tapping into alternative government funding (from

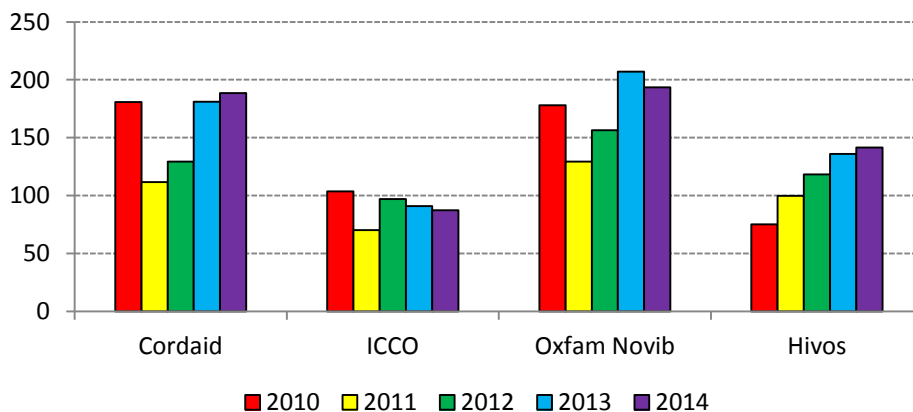
€100 million in 2010 to €66 million in 2011 to €129 million in 2013). The fact that its dependency rate on governmental funding increased from 56% in 2010 to 65% in 2014 shows that also Oxfam Novib relies heavily on other governments to compensate for the loss of Dutch government funding. Still, this dependency rate is the lowest of the four CFOs.

Hivos

While also Hivos saw a decline in Dutch government funding from 2010 to 2011 (losing some 16% and staying at that lower level for the entire period up to 2015), its total subsidies from governments were actually higher in 2011 than they were in 2010. In contrast to the other three, Hivos is therefore also the only CFO that did not see a decrease in total revenues in 2011 but instead a substantial and continuing increase from €75 million in 2010 to €141 million in 2014. The organisation thus offset declined funding by the Dutch government immediately by increased funding from other governments. Its dependency rate on government funding was high (91% in 2010) and has even grown (96% in 2014). Not surprisingly, its own fundraising activities only bring in a small percentage and in absolute terms have remained at the same level of around €1.5 million per year.

All in all, it took three of the four original CFOs two years to recover from the cut in Dutch government funding in 2011, while Hivos actually managed to tap into other sources immediately. With the exception of ICCO all came out even better (in financial terms) than before (see Figure 3.1). Interestingly, the decline in Dutch government funding has mainly been mitigated by tapping into alternative government funding.

Figure 3.1 Total budget of the four ‘original’ CFOs – 2010-2014 (in € million)



Source: author's calculations based on CBF data

Increasing dependency on government funding is not restricted to the four CFOs, however. Annex 3 provides an overview of the changes in this dependency rate on government subsidies from 2010 and 2014 for those non-CFOs included in both the government NGO funding database and the CBF database in 2010 and 2014. Of the total 67 NNGOs, 41.8% (28 NNGOs) had a lower dependency rate in 2014 than they had in 2010 and two saw no change (i.e., they were not subsidised by governments in 2010 nor were they in 2014). The remaining 36 (53.7%) were more dependent on government funds in 2014 than they were in 2010. As a group, these 67 NGOs saw their dependency rate increase from 53.4% to 61.5% between 2010 and 2014. The idea of former secretary of state Knapen that NGOs should rely much more on funding from the general public has thus not worked out in practice – neither for the four CFOs nor for a large number of other Dutch NGOs.

Whether the former CFOs can do the trick again after the further decrease in Dutch government funding in 2016 remains to be seen. Hivos, for instance, in 2011–2015 ‘only’ had to mitigate a loss of €10 million annually; from 2016 onwards it has to find an annual sum of €40 million elsewhere. For ICCO (€55 million) and Oxfam Novib and Cordaid (each €70 million) this is even more. The question should be asked not only how sustainable these alternative governmental funds are in the mid- to long-term but also what costs they incur – not only in terms of money needed to bid for these alternative funds (without any assurance that these investments will pay off) but also in terms of autonomy and ‘room to manoeuvre’. Do these alternative government funds not come with the catch that they are meant to implement predetermined project interventions, meaning as well that NGOs lose out in flexibility?

In addition, there remains the question of staff. The *De Volkskrant* article mentioned in the introduction talks about a ‘major layoff from the biggest aid organisations’. Although this is quite possible (and perhaps even likely) to happen from 2016 onwards, it is interesting to note that in the period 2010–2015 the four CFOs have grown (sometimes substantially) in terms of staff. In 2010, Hivos had a total of 256 employees with just over half of them working in regional or country offices in the Global South and the other half in The Hague at the head office. In 2014, the Hivos organisation counted 339 employees (of whom 54.5% were working abroad and 45.5% in The Hague). Cordaid in the meantime went from 523 (271 in the head office in The Hague and 252 in the Global South) in 2012 to 536 (282 + 254) in 2014, while Oxfam Novib increased its staff by nearly 75% between 2010 and 2014 (i.e., with staff at the head office decreasing slightly from 343 to 329 but those working in country offices in the Global South increasing from 121 to 481). Even ICCO saw an increase in staff from 280 in 2011 to 351 in 2014 and also here the regional offices grew (from 155 staff members to 256), while those in the head office in Utrecht decreased from 135 to 95.

These staff changes reflect not only the changing financial position but also (and more importantly) changes in the organisational structure and in CFOs’ strategies in adapting to changing circumstances. As such, these changes might mask a reshuffling of staff that has taken place (e.g., replacement of existing staff by new staff with specific thematic knowledge and expertise or the replacement by head office staff by field office staff) and a layoff of staff at headquarters. Hivos, for instance, has continued and speeded up its decentralisation to regional and country offices as did Oxfam Novib and ICCO. Cordaid in the meantime has embarked on a route of dividing its organisation into business units that are meant to be self-reliant. All in all, the four CFOs acknowledge the need for change and have (each in their own way) started the process of ‘reinventing’ themselves (also see: Elbers & Schulpen 2015). What exactly changed, what (possible) consequences these changes have, and to what extent all this is linked up with changes in the Dutch government funding structure will be part of follow-up research.

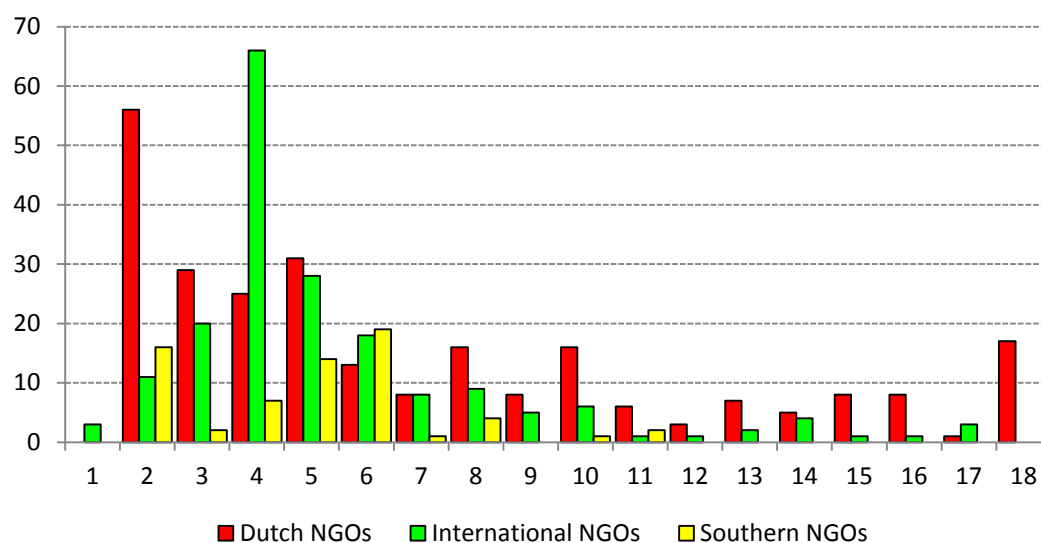
* CBF makes a distinction between income from (1) lotteries (e.g., National Postcode Lottery), (2) fundraising (e.g., bequests, mailings, collections), (3) campaigns of or with others, (4) investments, and (5) subsidies from governments. The latter is used in the plural form meaning that it covers all income from any government or governmental body (e.g., the EU). ‘Subsidies from governments’ is thus not restricted to the Dutch government.

Duration

Not only are most of the NGOs supported of Dutch origin, and receive the majority of funding, but these Dutch NGOs are also able to tap into more subsidy schemes than both INGOs and SNGOs. In addition, more of them manage to tap into the available subsidy schemes for a longer time. To start with the latter, Figure 9 illustrates that overall most NGOs are able to tap into Dutch government funding for up to five (often consecutive) years over the entire period 2003–2020. This holds for 55% of NNGOs, 68% of INGOs and 59% of SNGOs. In contrast, 27% of NNGOs managed to receive funding in this period for ten to 18 years, while this is only 10% for INGOs and 4.5% for SNGOs.

The number of schemes NGOs manage to tap into between 2003 and 2020 ranges between one and ten. Overall, 65% of all NGOs receive funding from one specific scheme only. A substantial part (97 NGOs, 19%) receives funding from two schemes, however, and the remaining 16% receives funding from three to ten schemes. Figure 10 provides an overview showing that only Dutch NGOs indeed tap into more than five schemes, that only a handful of SNGOs manages more than one, and that a few INGOs reach up to five different schemes. It should be noted that this is an unequal game by definition. Of the 47 subsidy schemes included here, seven are only meant for INGOs and 17 are only used by NNGOs. There are, up to now, no specific central schemes meant only (or used) by SNGOs. In fact, there are only eight schemes in which also SNGOs are beneficiaries, while there are 23 that are used by both INGOs and NNGOs. Besides, the subsidy schemes open (only) for Dutch NGOs tend to be the bigger ones in terms of total funds available. The 17 subsidy schemes that are exclusively used by Dutch NGOs have a monetary value of €3.6 billion (an average of almost €215 million). In contrast, the seven schemes only used by INGOs amount to €422 million (an average of €60 million).

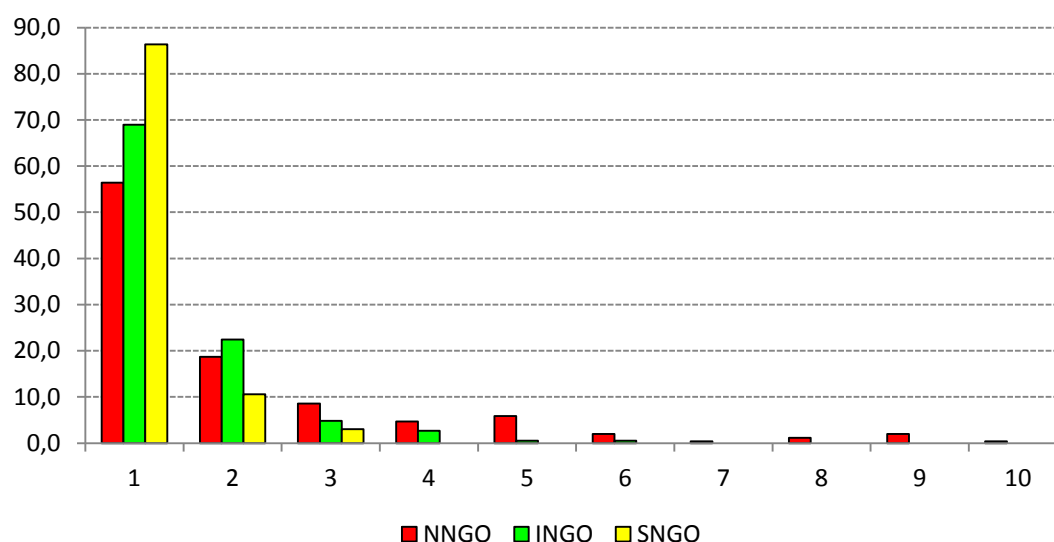
Figure 9. Number of years an NGO receives a subsidy, per type of NGO (2003–2020)



Source: NGO funding database CIDIN

Note: Data for the period 2016–2020 is incomplete.

Figure 10. Number of schemes used by type of NGO (2003–2016), in % of type



Source: NGO funding database CIDIN

Note: Data for the period 2016–2020 is incomplete.

2.3 Subsidy schemes and themes

Overall, the subsidy schemes included in our analysis can be divided into three groups (see Table 4 providing an overview of these groups and Annex 2 for more detailed information about types of NGOs making use of different schemes). The first then covers the major schemes running from MFP (2003–2006) via MFS-1 (2007–2010) (and including the Young & Innovative scheme which can be seen as an addition to MFS-1), and MFS-2 (2011–2015) to D&D (2016–2020). Together these major schemes take up 64% of all government funding for the period 2003–2020. Under these schemes, a total of 135 different NGOs have been funded over the years, the majority of which is of Dutch origin (118 or 87.4%). Only 13 are INGOs and only four are from the South with the majority of INGOs and all SNGOs being added from 2016 onwards. Whereas MFP was restricted to six organisations, MFS-1 introduced an open competition that was (with some alterations) maintained for MFS-2 and D&D. Of the 74 NGOs funded under MFS-1 (including Y&I) 47.3% (35) managed to also tap into MFS-2 and 25.7% (19) continued into

D&D. This includes five of the six MFP grantees with only Plan Nederland having been excluded in the MFS-1 scheme. All in all, the four major NGO funding schemes have combined consistency in terms of which NGOs receive funding with a substantial rejuvenation with each successive scheme. Of the 67 NGOs funded under MFS-2, 32 (47.7%) were not part of MFS-1, Y&I or MFP, and of the 62 NGOs under D&D half was not part of MFS-2 (see Figure 11 below). This does not mean, however, that some of them did not manage to tap into other (minor) schemes.

Table 4. Major, thematic/minor and individual NGO funding schemes (2003–2015)*

Scheme		# NGOs	Subsidy (€)	Period
Major schemes				
1	MFP**	6	1.637.600.000	2003–2006
2	MFS-1	59	2.173.207.421	2007–2010
3	Y&I***	15	16.126.875	2009–2010
4	MFS-2	67	1.915.843.603	2011–2015
5	D&D	61	923.050.000	2016–2020
<i>Subtotal major schemes</i>			6.665.827.899	
<i>In % grand total</i>			62.4%	
Thematic/minor				
<i>General</i>				
6	TMF-1	63	172.813.583	2003–2006
7	TMF-2	65	158.546.891	2004–2007
8	TMF-3	66	156.452.079	2005–2008
9	TMF-4	32	153.800.949	2006–2010
10	SALIN	20	86.105.000	2007–2010
11	Schokland	9	8.607.608	2008–2010
<i>Sexual and Reproductive Health & Rights</i>				
12	MDG3	46	69.954.678	2009–2011
13	FLOW-1	33	80.875.106	2012–2015
14	KPF	7	34.999.998	2012–2015
15	COF	4	50.000.000	2011–2015
16	SRGR-1	9	124.849.998	2013–2015
17	SRGR-2	32	284.999.999	2016–2020
18	POP	1	50.000.000	2007–2010
19	PDP-1	8	80.768.884	2006–2009
20	PDP-2	7	69.600.000	2010–2014
21	PDP-3	6	86.300.000	2015–2020
22	CMF	12	6.000.000	2014–2015
23	Opstap	2	6.000.000	2013–2015
24	NGO coord.	1	1.000.000	2012–2015
25	FLOW-2	14	95.000.000	2016–2020
<i>Humanitarian aid / crisis / conflict</i>				
26	HA	15	39.527.302	2005–2010
27	HD-M	8	88.730.543	2003–2010
28	HD-M&CA	4	45.000.000	2012–2016
29	EFV	4	24.136.000	2012–2013
30	Weder	21	126.961.637	2012–2015
31	Syria	4	13.988.845	2014–2016
32	SPCC	7	26.250.000	2014–2016

	Scheme	# NGOs	Subsidy (€)	Period
	<i>Human rights</i>			
33	HRF-1	7	10.812.144	2012–2015
	<i>Political cooperation</i>			
34	PP-1	1	37.500.000	2007–2010
35	PP-2	5	32.300.000	2012–2015
	<i>Migration</i>			
36	Mig.-1	16	5.465.568	2006–2008
	<i>Sustainable energy</i>			
37	Daey Ouwens	15	4.992.743	2008–2012
	<i>Global citizenship</i>			
38	SBOS	59	26.956.334	2010–2011
	<i>Sustainable water</i>			
39	FDW	16	12.804.877	2013–2020
	<i>Food security</i>			
40	FDOV	52	39.824.082	2012–2021
	<i>Subtotal thematic/minor schemes</i>		2.311.924.848	
	<i>In % grand total</i>		21.6%	
	Individual schemes****			
41	SNV	1	974.893.677	2003–2015
42	NCDO-1	1	234.400.000	2003–2010
43	NCDO-2	1	50.500.000	2011–2017
44	PSO	1	220.550.576	2003–2010
45	VMP-1	2	158.775.596	2003–2012
46	VMP-2	2	49.010.000	2013–2016
47	LGCP-VNG	1	22.500.000	2012–2016
	<i>Subtotal individual schemes</i>		1.710.629.849	
	<i>In % grand total</i>		16.0%	
	GRAND TOTAL		10.688.382.596	

* Only those schemes have been included for which data is available.

** For the period 2003–2006 only. The MFP started in 1965.

*** J&V (Young & Innovative) essentially is an addition to MFS-1, set up when it became clear that under MFS-1 young organisations lacking a track record were at a disadvantage. It is generally seen as part of the MFS-1 system.

**** Funding for all individual schemes started before 2003 and over the years several extensions have been made (each with a specific period and a specific amount). In the case of SNV the latest extension (and also the final one) was for the period 2007–2015 with an annual budget of some €75 million. Since 2016, SNV will be subsidised under the D&D programme. The same holds for PSO (last period of funding 2007–2010 with an annual budget of approximately €27 million). NCDO has been funded since the 1970s and for a large part is now supposed to ‘survive in the market’. The latest funding period was for 2011–2014, then extended up to the end of 2017. VNG received its first ‘individual funding’ in 2012 but received earlier funding under the TMF programme. VMP (meant for the two major Dutch labour unions) has been extended again in 2013. This programme expires at the end of 2016. In the meantime, both labour unions are also part of the D&D scheme for the period 2016–2020.

Figure 11. Consistency and renewal in the four major NGO schemes

Programme	NGOs				Total # NGOs
MFP	6				6
	↓	New NGOs*			
MFS-1	5	69			74
	↓	↓	New NGOs*		
MFS-2	5	30	32		
	↓	↓	↓	New NGOs*	
D&D	5	14	13	30	62

Source: NGO funding database CIDIN

* New in terms of not having been part of the previous major scheme

Second come the thematic or minor schemes under which still substantial sums have been made available over the years to hundreds of Dutch, international and Southern NGOs. This group covers the bulk of schemes sometimes meant for specific groups of NGOs (i.e., SALIN was only meant for international NGOs that were no longer eligible to receive funding under TMF) and mostly for specific themes (e.g., migration or gender). It includes as well a few schemes specifically aimed at contributing to public-private cooperation, which falls under the broad heading of private sector development. NGOs are thus also part of private (commercial) sector-oriented programmes such as FDW and FDOV. Principally, they can also apply under the Dutch Good Growth Fund (DGGF) although up to now none of the NGO applications under this fund has been approved because they 'have less or shorter experience with investments [and] DGGF follows a commercial approach based on loans, guarantees and participations instead of subsidies' (DGIS 2015: 4). Some of these recipient NGOs manage to tap into several thematic schemes in a row, other manage to tap into several simultaneously and again others are only funded by one specific scheme. Looking at the four (more general) thematic funding schemes known as TMF-1 to TMF-4 shows this diversity quite clearly. Of the 63 NGOs under TMF-1, five managed to also tap into TMF-2 (of which one also into TMF-4), two into TMF-3 and four into TMF-4. At the same time, one-third of the TMF-1 NGOs was also part of MFS-1 with 16 continuing up to MFS-2.

Table 5. Number of thematic/minor schemes per type of NGO (in # NGOs)

Type	Number of minor/thematic schemes							
	0	1	2	3	4	5	6	7
NNGOs	36	161	28	15	7	8	1	1
INGOs	3	132	37	10	4	1		
SNGOs	2	55	9					

Source: NGO funding database CIDIN

In total 469 NGOs participate(d) in at least one of the 35 thematic (or minor) schemes (meaning as well that a large part of those that are or were part of major or individual schemes have also managed to be part of these thematic ones). Just over 74% (348) indeed only taps into one specific minor or thematic scheme and these include the majority of INGOs (70%) and SNGOs (83%). Table 5 clearly shows the skewed division between the number of thematic/minor schemes that different types of NGOs manage to get funding from. Important to note is that there is a relatively small group of mainly Dutch NGOs that not only is part of several thematic schemes but also of many (if not all) major schemes. This holds, for instance, for the six organisations in MFP (the original CFOs plus Plan and Terre des Hommes) that also manage to get funding under such diverse thematic schemes as SBOS, SRGR, Opstap, FDOV, HA and/or migration.

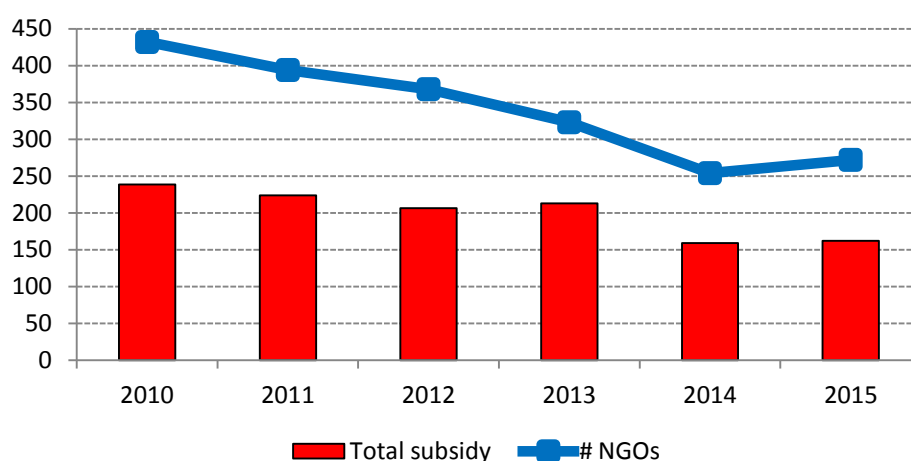
The third group are individual schemes meant for specific Dutch organisations (i.e., NCDO, PSO, SNV, VMP – designed for the two major Dutch labour unions FNV and CNV – and a specific programme for VNG). Although these organisations started to receive funding already years ago (e.g., NCDO and VMP in the mid-1970s), all of these individual schemes terminate either in 2015 or 2016 with the exception of NCDO, which runs up to 2017, and PSO, which ceased getting government funding in 2010 (after which the organisation itself was dissolved as well). And again with the exception of NCDO, all of them have managed to tap into other schemes as well. Both FNV and CNV are now part of the D&D programme, VNG participated in three other schemes besides its ‘individual’ one, SNV is also part of FDOV and D&D, and PSO supplemented its individual schemes with funding under the migration scheme.

Finally, a fourth group concerns direct funding of SNGOs. The word ‘group’ is perhaps a bit misleading here as there is only one specific scheme meant for direct funding: the Accountability Fund administered by Dutch embassies. Officially, this fund will start operating in 2016 and will run for a period of five years with an annual budget of €15 million. It should be stressed that the Accountability Fund may be the first official direct funding scheme (and the first setting out policy guidelines for direct funding) but that SNGOs have been funded directly also before 2016. Not only have some of them managed to tap into other schemes in the past and present (e.g., TMF, FLOW, D&D) but Dutch embassies have been funding local organisations already for years. Box 8 delves a bit deeper into NGO funding by Dutch embassies and thus into decentralised NGO funding (which is a much better term to use than direct funding).

Box 8. Decentralised funding of NGOs

Interestingly, there is always discussion regarding which NGOs to include under the heading of direct funding. Data for the year 2000, for instance, show that €166.9 million went into direct funding of which €65 million went towards local NGOs, €43 million towards Dutch NGOs and the remaining €58.9 million towards international NGOs (Schulpen et al. 2009). The question, of course, is whether ‘direct funding’ is actually an applicable term for funds that still go through either Dutch or international NGOs. In essence, the IOB (2014) uses a broad definition of direct funding, including all funds going to NGOs (Dutch, international or Southern ones) from the delegated funds of Dutch embassies in developing countries.

Table 8.1 Decentralised funding: # of NGOs and subsidy amount per year (in million €) – 2010–2015



Source: based on data provided by DGIS

Following such a broad definition, the IOB study determined that ‘in absolute amounts, direct funding increased in the period 2006–2012, although it declined between 2009 and 2011’ but also that it increased from 2008 onwards ‘as a percentage of decentralised expenditure’ (IOB 2014: 13). Of the decentralised funds of Dutch embassies in 18 developing countries, 24% (€950 million) was spent by NGOs. Still, the largest part thereof went not to SNGOs but to NNGOs and INGOs. Southern NGOs directly received ‘only’ 37% (€350 million) of that amount. Important as well is the finding that ‘trends in the amounts and percentages of direct funding over the years differed greatly between countries’ and that ‘there is no clear relationship between the volume of direct funding on the one hand

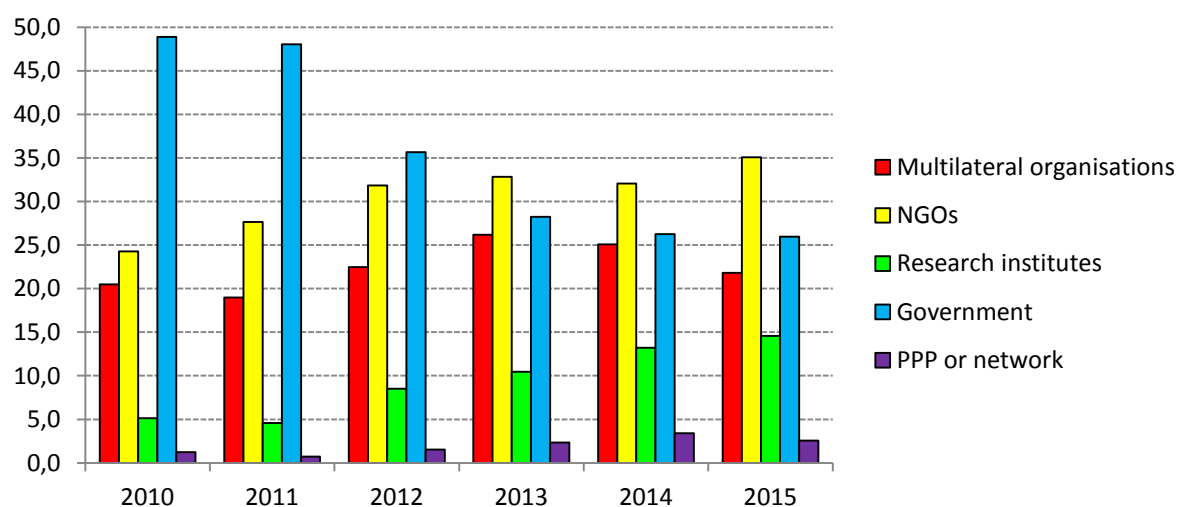
and, on the other hand, the recipient country's socioeconomic context and the room for civil society in that country' (ibid.: 13).

DAC data on funding to 'developing country-based NGOs' – thus using a more narrow definition – in the meantime show that direct funding by the Netherlands in absolute terms increased between 2009 and 2012 and then decreased in 2013 to about the same level as was reached in 2010. In contrast, total DAC direct funding 'is clearly on the rise [but] this is due to two main actors: the EU en UK' (Huyse & De Bruyn 2015: 11–12).

Moving back to the Netherlands and taking as a starting point that direct funding equals all funds NGOs receive through Dutch embassies (i.e., from their delegated funds), expenditure data from the internal administration of the ministry reveals that over the period 2010–2015 a total of 797 NGOs have been supported. Together they received a subsidy of just over €1.2 billion over this entire period (or on average approximately €200 million per year). In reality, this decentralised funding by Dutch embassies shows a declining trend: in 2010 NGOs still received €238 million from the embassies, and in 2015 this was down to €162 million. Table 5.1 shows the number of NGOs and the total subsidy amount per year for the period 2010–2015.

It is interesting to note that as a percentage of the total ODA funds administered by the embassies, NGOs have become more important (although this is from a sharply reduced total budget, which halved over 2010–2015 and went from €982 million to €464 million). Since 2013, as Table 8.2 indicates, NGOs are the biggest recipients of RNE funding mainly because of the spectacular decrease in funding going to governments (from 49% in 2010 to 26% in 2015). Also research institutes have become a more favoured channel for RNEs, with a threefold increase in terms of percentage since 2010 (and in absolute terms from €50 to €67 million). Multilateral organisations remained at around 20% of RNE funding but in absolute terms lost €100 million over this six-year period.

Table 8.2 ODA expenditure of Dutch embassies, per channel, in % total funding by RNEs (2010–2015)



Source: based on data provided by DGIS

Of the 797 NGOs supported by Dutch embassies the majority (628 or 78.6%) can be classified as Southern NGOs (SNGOs) based on where their headquarters are located. Of the remaining 169, slightly more than half (88) are INGOs and 81 are Dutch NGOs (NNGOs). Interestingly, but not surprisingly, the average subsidy amount per SNGO is substantially lower than that for INGOs or NNGOs. The 81 NNGOs received (over the entire period of 2010–2015) some €220.4 million from embassies, on average thus €2.7 million. The 88 INGOs fare better with a total amount of €332.4 million and an average of €3.8 million. The SNGOs receive the highest amount as a group (€649.7 million) but since that is divided among a total of 628 organisations each receives about €1.0 million on average. These averages are, as so often, misleading. In reality, the total subsidy that individual NNGOs received from the Dutch embassies ranges from €4.700 (Stichting African Architecture Matters) to €45.9 million (Save the Children), among INGOs from €3.125 (PACTA Finland) to €70.8 million (International Fertiliser Development Center), and among SNGOs from €686 (Centro de Atencion) to €78.7 million (BRAC).

For a substantial number of NGOs the funds received from the embassies concern additional Dutch funding as

they are also recipients of centrally administered subsidies from The Hague. The NGOs that manage to tap into embassy funds as well as those of The Hague are mainly NNGOs and INGOs. Forty-two of the 81 Dutch NGOs are recipients of both centralised funds (administered by The Hague) and decentralised funds (administered by the embassies). The same holds for 28 of the 88 INGOs and three of the 628 SNGOs.

In effect it means that a Dutch NGO such as ICCO can add an amount of €33.5 million in decentralised funding to its €316.8 million in centralised funding over 2010–2015 – an additional 10.6%. Population Services International – an INGO that managed €17.2 million via centralised funding under SALIN and COF during 2010–2015 – received an additional €58.5 million in Dutch funding via decentralised funds over that same period.

Overall, the period from 2013 onwards shows an increasing thematic focus in the subsidy schemes. The major schemes (running from MFP to D&D) generally are not thematically oriented although over the years the assessment criteria for these schemes have become stricter, with the thematic focus of the governmental development policy gradually being used as a yardstick. Still, the freedom of the NGOs under these major schemes to choose their own thematic focus (if any) is generally quite substantial. This also holds for the more recent D&D programme, which has an exclusive focus on (capacity building in the field of) lobbying and advocacy, but is relatively free in the choice in which sector(s) such advocacy activities have to be undertaken as long as they are ‘connected with the broad policy agenda of foreign trade and development cooperation, as set out in the policy document “A World to Gain”’ (DGIS 2014). Thematically, this policy document focuses on water, food security, women’s rights and sexual and reproductive rights, and security and the rule of law but provides opportunities for other thematic entry points as well.

The relative freedom of NGOs to choose their own thematic focus broadly holds as well for the individual schemes where the mandate of the concerned NGOs determines in what ‘thematic’ field they work (e.g., NCDO principally working in the field of raising awareness and public support, and the labour unions under the successive VMP programmes working on supporting their labour union counterparts in developing countries). And it also holds for those schemes grouped under the general thematic (or minor) ones. TMF is a point in case here. Although called *Thematic* Co-financing, the TMF sequence leaves the choice in which specific theme(s) an NGO wants to work essentially to the NGO itself.

In more recent years, this situation has changed dramatically. The more general thematic schemes of TMF and SALIN terminated in 2010 and the last individual scheme will be phased out in 2017. In addition, the general subsidy regulations and the Standard Scheme stipulate more clearly the thematic fields in which the ministry can set up subsidy schemes. Table 4 showed that this has particularly been worked out in the field of sexual and reproductive health and rights (SRHR) with 14 separate schemes. But also in the broad field of humanitarian, crisis and conflict aid, the ministry over the years has developed several schemes – some specifically meant for one country (Syria) and others for de-mining.

All in all, the underlying idea that the ministry follows its own policy to determine in which theme it wants to include NGOs has been given shape in more recent years. As a consequence, earmarked funding (in DAC terms called ‘aid through NGOs’ where the NGO essentially is a contractor for programmes designed by the donor) has grown at the expense of core funding (or ‘aid to NGOs’ where a donor supports a programme of an NGO) (also see Annex 4 for a brief discussion on this).

Concluding remarks

The above analysis shows that the *De Volkskrant* was correct: the big (traditional) NGOs are about to lose out tremendously because of the general cuts in the development budget and the changing subsidy structure. The process leading up to these latest budget cuts was, however, already set in motion years ago. Already in 2011 these major Dutch NGOs received millions less than they were used to in the years before. At the same time, there are and have been also winners in this ‘funding game’ and some of them have seen a spectacular growth in Dutch government funding. Yet, the winners are generally smaller NGOs and their funding from the Dutch government may have increased but these ‘profits’ come nowhere near the ‘losses’ that occurred elsewhere in the NGO community. From a more positive perspective, the increase in Southern NGOs being able to tap into Dutch government funding can be noted, although that growth is extremely slow and FLOW-2 was heavily criticised for not selecting any of the SNGO proposals. Besides, Dutch NGOs still get the largest piece of the pie and manage to tap into substantial more schemes than INGOs and SNGOs combined.

Interestingly, the calls for a further streamlining of NGO funding that were made in the early 2000s have led in practice to a highly fragmented funding scene with an ever-increasing number of relatively small schemes, an only slowly reducing number of NGOs supported, and a high number of NGOs receiving only small amounts in subsidy. This fragmentation is then even more worrisome considering the fact that centralised funding to Dutch, international and Southern NGOs has seen a substantial decline from an average annual contribution of €776 million over 2003–2010 via €602 million over 2011–2015 to just over €300 million over 2016–2020. Several NGOs seem to have managed the first downturn in government funding in 2011 quite well as they were able to tap into other governments’ funding systems. The 50% cut in 2016 is, however, much more severe than the one of 2011 and it remains to be seen whether the majority of NGOs will manage to mitigate the latest cuts as well as they obviously did in 2011.

Depending on one’s (political) viewpoint, the budget cuts are either a correction of a system of NGO funding that went out of control quite some time ago, the unfair outcome of more general cuts in the budget for development cooperation for which NGOs paid the highest price, or an expression of unreliability of a government that over the past 50 years has been co-responsible for the growth of several of the Dutch NGOs that are now hit the hardest. Instead of adding to this controversy, it is more important to point out two fundamental and highly interrelated policy shifts, which underlie these budget cuts and in the longer run might turn out to be far more critical than the loss of money.

The first of these policy shifts refers to the now institutionalised idea of competition, result orientation and the accompanying tendering system. It reflects what some would call ‘managerialism’, in which the idea of development as a ‘political process to change unequal power relations’ is replaced by the idea that ‘development can be planned and measured’ and where NGOs ‘implement contractually specified activities’ (Elbers et al. 2014). The idea of NGOs competing for scarce resources on the basis of their added value and track record perhaps sounds like a good idea but it also might have serious negative consequences. It might, for instance, run counter to the idea of cooperation that is simultaneously promoted (e.g., by emphasising public-private partnerships or working in consortia when applying for funding) or the idea of predictability that is one of the central elements in the Paris/Accra/Busan-system of increasing the effectiveness of aid. In addition, it also makes NGOs into entrepreneurs who adapt their own programme and strategy for the sake of securing outside funding, funding that is likely to be increasingly project-based thus reducing the ability of an NGO to set its own agenda, and requires increasing investments in drafting proposals that are often not bringing in any rewards.

The latter links up to the second shift from a system in which the autonomy of NGOs was central to one in which government policy is central. Under the earlier MFP, the four CFOs essentially determined themselves where, with whom and on what they would be working, and the government assessed these

programmes only on a very general level. They were principally free in their policy and strategy choices. This already changed substantially with the introduction of MFS-1 and MFS-2 when assessment of their proposals was increasingly based on the idea of quality and competition. Perhaps even more important was that the government also steered these proposals in specific directions (e.g., by determining to a larger extent than before that a specific part of the subsidy should be spent in a limited number of countries, by preferring proposals of alliances and not of single NGOs, and by emphasising the importance of the sectoral spearheads of Dutch government policy).

The latest major scheme (D&D, 2016–2020) can be seen as a further step on this path of making government policy more central. The D&D programme not only determines that all NGOs that want to join the D&D scheme need to implement their programme in ‘partnership’ with the government, but it also quite clearly establishes that specific activities (e.g., in the field of service delivery, which historically was always one of the most important types of activities funded under TMF and the MFS schemes) are no longer eligible for government funding. This is in sharp contrast to the UK where recent regulations state ‘that DFID funding can no longer be used by CSOs to set up any lobby & advocacy activities which target the UK government [and which tend] to push them further into more technical, apolitical roles’ (Huyse & De Bruyn 2015: 14). By determining what will not be funded, the government naturally and at the same time decides what will be funded (in this case: strengthening of local organisations in the field of lobby and advocacy). From an ‘autonomy’ idea the compulsory partnerships with the ministry in designing and implementing a programme might also be seen more positively as such partnerships imply an idea of equality and should clearly take the specific roles of both partners as a starting point.

Some would say that in taking the government policy more strongly as a point of departure for NGO funding that same government shows it increasingly views NGOs as an implementing arm of its own policy. Such a view then injures the autonomy idea that implicitly formed the basis of earlier NGO funding and was officially laid down in a 2001 policy paper as well as in the idea of ‘actors in their own right’ as expressed at the Accra Agenda for Action conference in 2008 and the Busan conference in 2011. Whether or not this is correct, it is interesting to see that in its reporting on NGO funding to the DAC the Dutch government clearly indicates a move from ‘aid to NGOs’ towards ‘aid through NGOs’ and that even our own more conservative estimate shows a gradual move away from ‘aid to’. Overall, this difference is seen as a one between providing core support for activities ‘programmed by the NGOs’ and providing earmarked funding to NGOs ‘to implement donor-initiated projects’.

Limiting their own room of manoeuvre (or ‘strategic space’ as the NGO branch organisation Partos called it) is thus not a new phenomenon but essentially part and parcel of all steps taken over the years since 2001. Not surprisingly, Partos in a 2009 letter to then Minister Koenders stated that the ‘positive vision [with regard to the independent role of NGOs in the 2009 policy paper of Koenders] did not materialise in all aspects of the proposed policy’. In fact, they felt that the paper even ‘presupposes [...] a certain obedience of civil society organisations to the government’. The government obviously was and is again at the steering wheel – at least for those organisations wishing to tap into the numerous subsidy schemes that simultaneously were created.

In the end the question of course is as well how all these changes impact the NGOs that are or were part of the Dutch NGO funding system. In what way do they react to the decrease in government funding (or to the increase of the same) at an organisational and strategic level? Equally, if not more, important is the question how these changes impact the Southern partners of (certainly also the Dutch) NGOs that have been funded earlier but have now been kicked out of the government system or have seen a sharply reduced budget. Such questions are particularly important because of the relatively high dependency of Dutch NGOs on government funding and the fact that Dutch NGOs tend not to be implementing but supporting NGOs (i.e., they generally work through providing funds to Southern partners to implement programmes and projects). These are questions that cannot be answered yet (but see Box 7 for a start) and certainly need further exploring.

Afterword

One of the problems any researcher delving into an ongoing process will recognise is that new data will continue to pop up, which will require a re-analysis of the entire dataset. In effect, it also means that it is never finished. To prevent the latter, an artificial deadline in data collection was set on April 1, 2016. For this first phase of the research into the changes in the (Dutch) NGO sector, this means that subsidies that are granted under any of the still outstanding schemes (e.g., Voice, Account., ARC Fund, MA&C) are not included here but have to await a possible future update. Unfortunately this also holds for the LEAD scheme, which only came to our attention after the first of April but the selection process of which was actually already finalised at the end of 2015. Suffice to say here now is that inclusion of LEAD in the dataset results in a minor increase in the total number of NGO recipients (from 510 to at least 514, including three SNGOs), a growth in the total government subsidy to Oxfam Novib and Hivos of around €1.5 million per year over the period 2016–2018, and the inclusion of SPARK and SOS Kinderdorpen also in the period 2016–2020 as recipients of government funding. All of this would mean minor changes to the data presented in, for instance, Box 7, Table 2 and Table 3 but not an overhaul of the main findings presented above.

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**Annex 1. Overview of the NGO funding schemes of the Ministry of Foreign Affairs
(2003–2020) (in million €)**

	Name	Period	Amount	# NGOs			
				Total	NNGO	INGO	SNGO
1	SNV	2003–2015	974.9	1	1	-	-
2	NCDO-1	2003–2010	234.4	1	1	-	-
3	PSO	2003–2010	220.6	1	1	-	-
4	VMP-1	2003–2012	158.8	2	2	-	-
5	MFP	2003–2006	1,637.6	6	6	-	-
6	HD-M	2003–2010	88.7	8	1	7	-
7	TMF-1	2003–2006	172.8	63	40	23	-
8	TMF-2	2004–2007	158.5	65	23	41	1
9	TMF-3	2005–2008	156.4	66	28	38	-
10	HA	2005–2010	39.5	15	7	8	-
11	TMF-4	2006–2010	153.8	32	32	-	-
12	SALIN	2006–2010	86.1	20	-	20	-
13	PDP-1	2006–2009	80.8	8	-	8	-
14	Mig.-1	2007–2008	5.5	16	15	1	-
15	MFS-1	2007–2010	2,173.2	59	56	3	-
16	PP-1	2007–2010	37.5	1	1	-	-
17	POP	2007–2010	50.0	1	1	-	-
18	Schokland	2008–2010	8.6	9	9	-	-
19	Daey Ouwers	2008–2012	5.0	15	7	4	4
20	Y&I	2009–2010	16.1	15	15	-	-
21	MDG3	2009–2010	69.9	46	2	21	23
22	SBOS	2010–2011	26.9	59	59	-	-
23	MFS-2	2011–2015	1,915.8	67	64	3	-
24	COF	2011–2015	50.0	4	-	4	-
25	PDP-2	2011–2014	69.6	7	-	7	-
26	NCDO-2	2011–2017	50.5	1	1	-	-
27	KPF	2012–2015	35.0	7	6	1	-
28	FLOW-1	2012–2015	80.9	33	1	19	13
29	HRF-1	2012–2015	10.8	7	4	3	-
30	Weder	2012–2015	127.0	21	14	7	-
31	LGCP-VNG	2012–2016	22.5	1	1	-	-
32	NGO coord.	2012–2015	1.0	1	1	-	-
33	HD-M&CA	2012–2016	45.0	4	-	4	-
34	FDOV	2012–2021	39.8	52	21	5	26
35	PP-2	2013–2015	32.3	5	3	2	-
36	SRGR-1	2013–2015	124.8	9	6	3	-
37	Opstap	2013–2015	6.0	2	2	-	-
38	FDW	2013–2020	12.8	16	10	1	5
39	EFV	2013–2019	24.1	4	-	4	-
40	VMP-2	2013–2016	49.0	2	2	-	-
41	Syria	2014–2016	14.0	4	3	1	-
42	SPCC	2014–2016	26.3	7	6	1	-
43	CMF	2014–2015	6.0	12	12	-	-
44	PDP-3	2015–2020	86.3	6	-	6	-
45	D&D	2016–2020	923.0	62	50	8	4
46	SRGR-2	2016–2020	285.0	32	23	9	-
47	FLOW-2	2016–2020	95.0	14	7	7	-
Other subsidy schemes not covered in database							
1	HR-SA*	2015–2016	4.5	15			
2	DGGF	2014–?	n.a.				

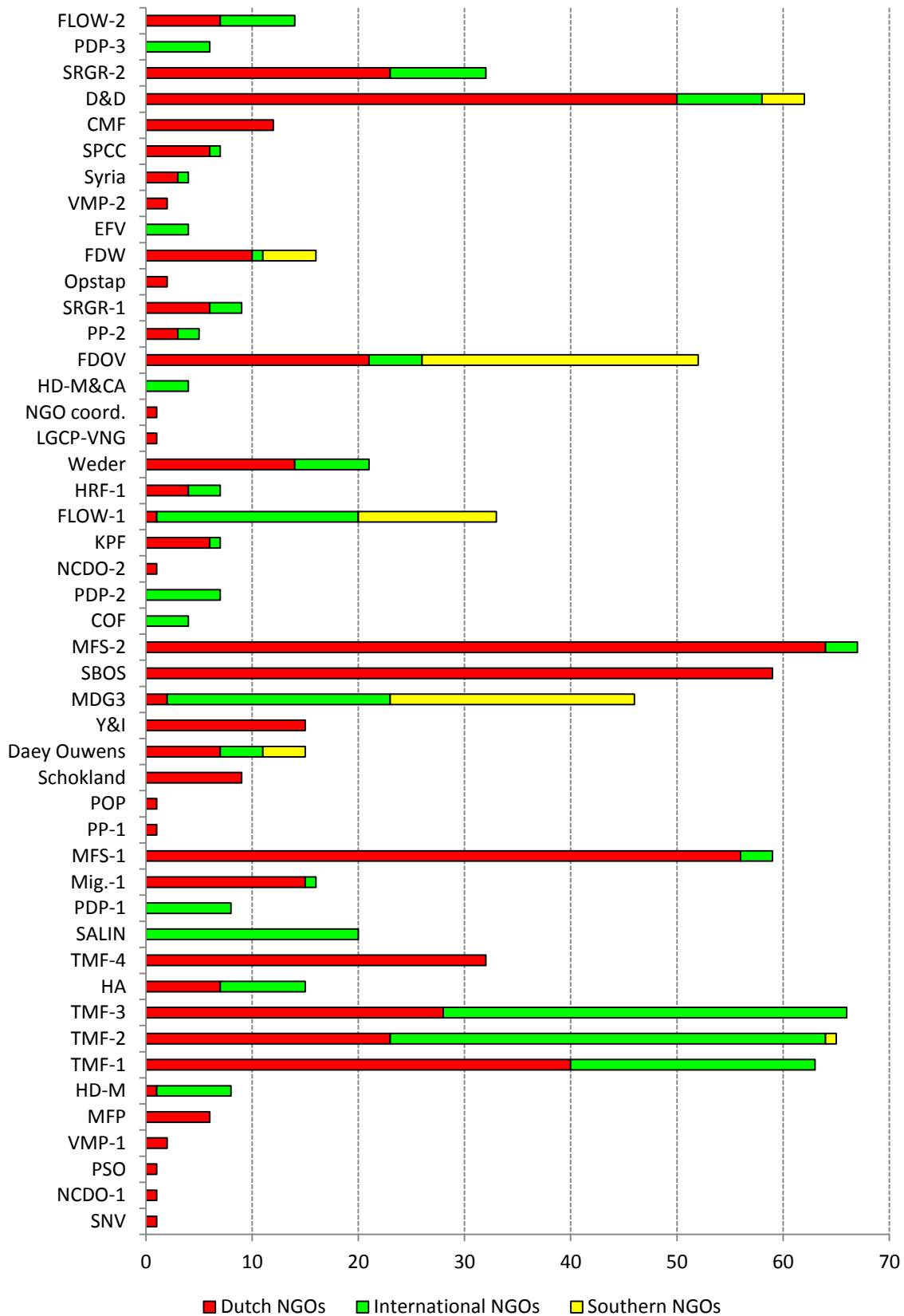
	Name	Period	Amount	# NGOs			
				Total	NNGO	INGO	SNGO
3	Mig.-2	2014	1.0				
4	HRF-2	2014–2017	16.0				
5	Mig.-3	2015–2016	n.a.				
6	Voice	2016–2020	50.0				
7	Account.	2016–2020	75.0				
8	LEAD	2016–2018	23.7				
9	ARC Fund	2016–2021	125.0				
10	MA&C	2016–2020	35.0				
Decentralised funding via embassies							
1	Decentralised funding**	2010–2015	1,202.4	797	81	88	628

* Information on (number of NGOs) and subsidy could not be included as this information is considered confidential by the ministry in order to protect the concerned NGOs.

** Data for decentralised funding is only available in detail for the period 2010–2015 and has been provided by the Ministry of Foreign Affairs on the basis of their internal administrative system. All NGOs have been cross-checked to translate the DAC categories of 21000 (international NGOs), 22000 (Donor-country-based NGOs) and 23000 (Developing-country-based NGOs) into the NNGO/INGO/SNGO categories used in this report.

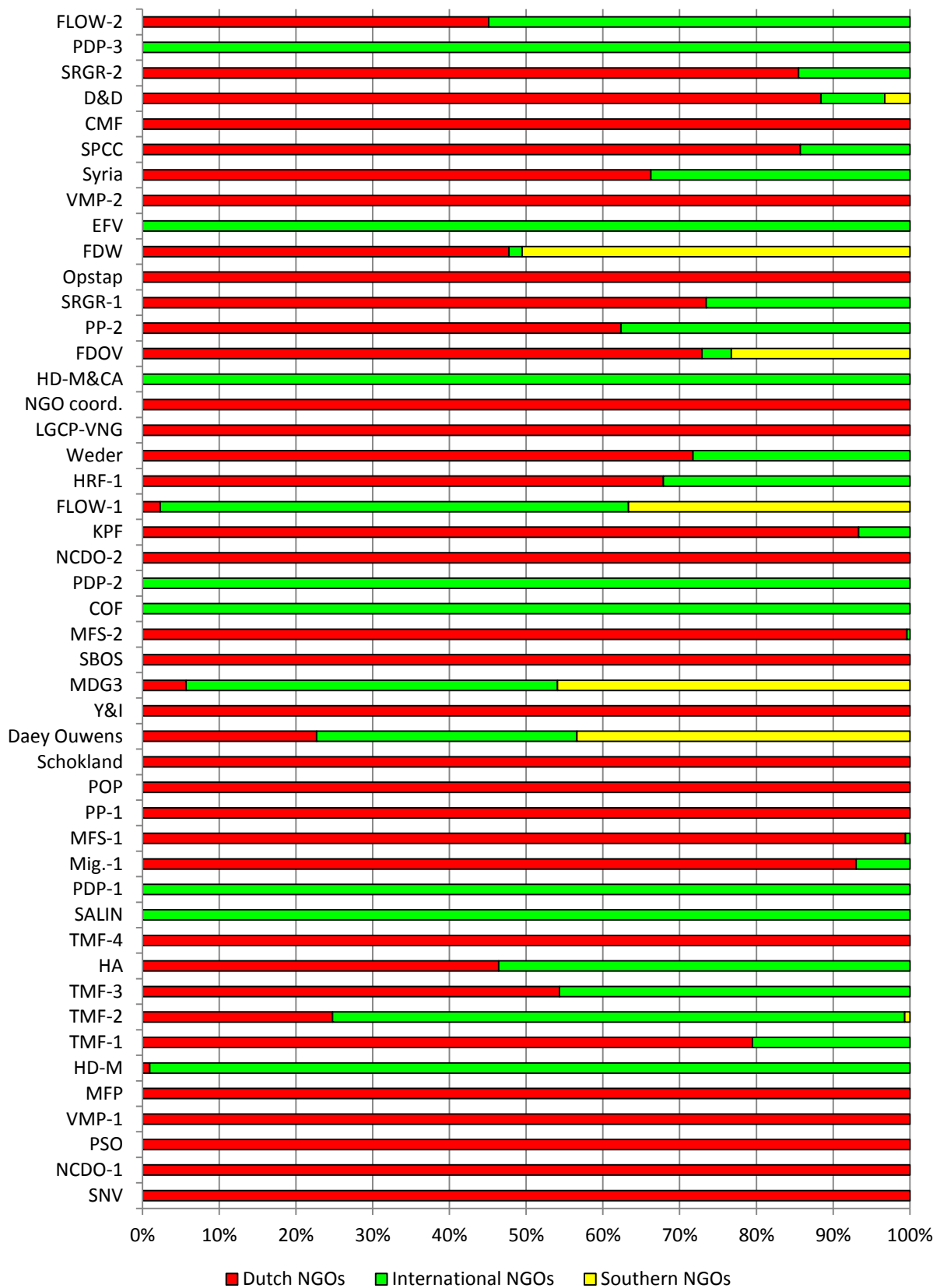
Annex 2. Subsidy schemes per type of NGO

Figure 2.1 Number of NGOs per subsidy scheme, per type of NGO (2003–2020)



Source: NGO funding database CIDIN / Note: Data for the period 2016–2020 is incomplete.

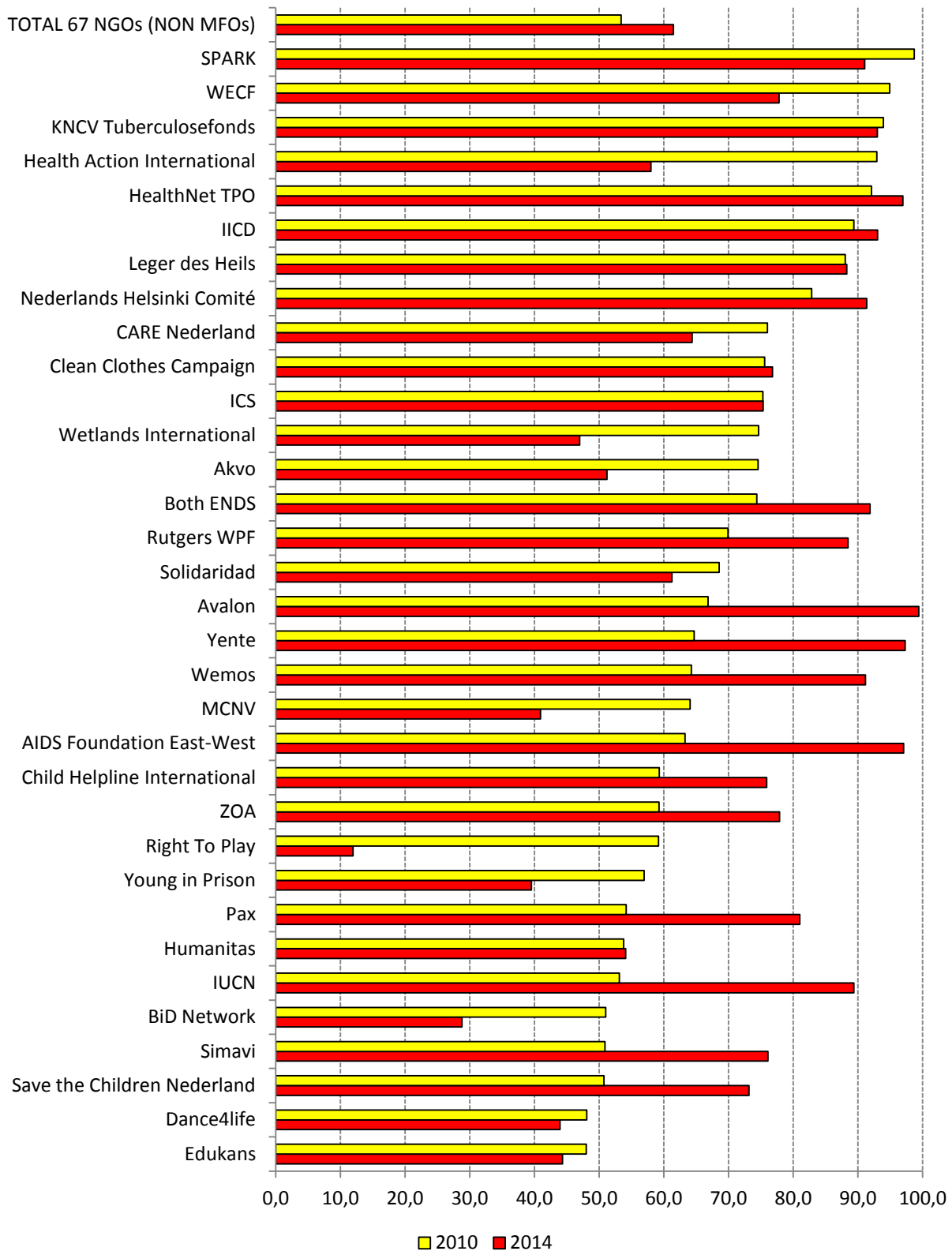
Figure 2.2 Division of subsidies per schemes, per type of NGO (2003–2020)

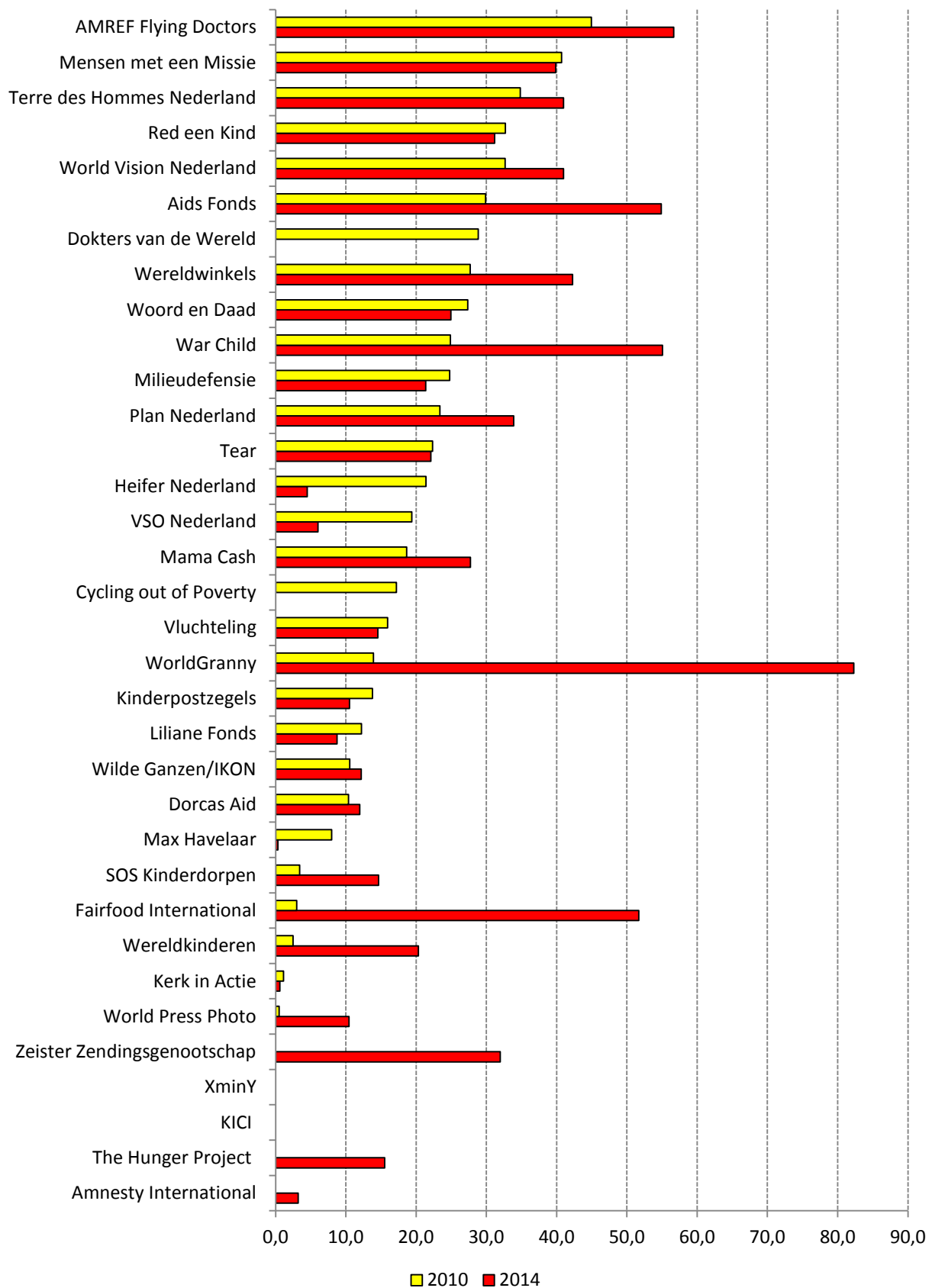


Source: NGO funding database CIDIN

Note: Data for the period 2016–2020 is incomplete.

Annex 3. Changes in the 'government dependency rate' of Dutch NGOs – 2010 and 2014



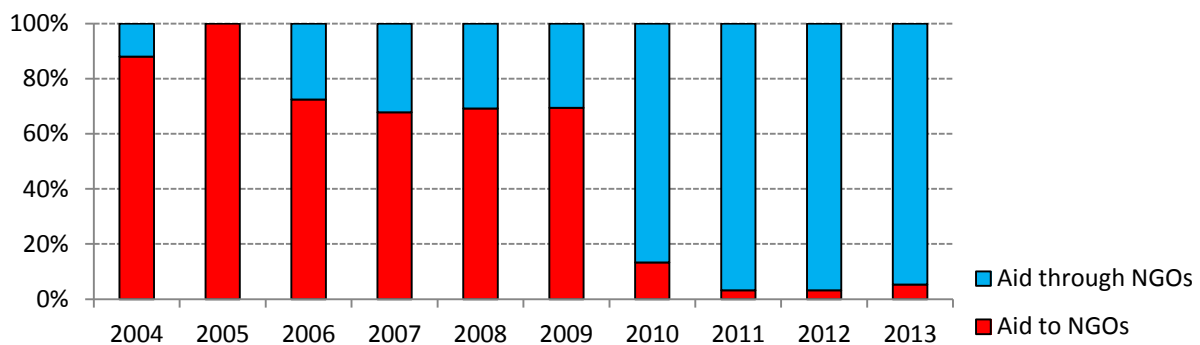


Source: Author's calculation on the basis of CBF database (www.cbf.nl)

Annex 4. Aid to and aid through NGOs

The DAC distinguishes between aid *to* and aid *through* NGOs/CSOs or *core support* (where the donor supports a programme of the NGO) and *earmarked funding* (where the NGO receives donor funding to ‘implement donor-initiated projects’). This is then a difference as well in terms of ownership and independence. Overall, aid *through* NGOs is substantially larger than aid *to* NGOs and is fast growing – also for the Netherlands (also see Huyse & De Bruyn 2015: 10). In fact, Dutch NGO funding has – according to DAC data – seen a remarkable shift in 2010. Table 4.1 shows that prior to 2010 the majority of CSO funding was reported as aid *to* NGOs. From 2010 onwards this turned upside down with the vast majority of funding falling under aid *through* NGOs. The abruptness of this switch is caused by a different interpretation of the DAC guidelines for reporting by the financial department of the Dutch Ministry of Foreign Affairs (mainly the fact that *core funding* of NGOs is essentially not possible under Dutch NGO funding rules). It only strengthens the remark of the DAC (OECD-DAC 2013: 32–33) ‘these statistics do not necessarily reflect the reality of some DAC members’ funding of CSOs (e.g. Denmark, the Netherlands, Sweden) which is reported to the DAC as aid *through* CSOs’.

Figure 4.1 Division of aid to and through NGOs based on DAC database (in % total)



Source: author’s calculation based on DAC database

It is, however, not only a change in reporting to the DAC. Aid *through* NGOs has also increased in reality. Even if we take a very liberal interpretation of this distinction between ‘core’ and ‘earmarked’ funding by grouping all major, individual and general thematic/minor schemes under the former and all remaining thematic/minor schemes under the latter, Table 4.1 clearly shows this change.

Table 4.1 NGO funding divided over ‘aid to’ and ‘aid through’ (2003–2020), in € million and % total annual subsidy

	Aid to NGOs	Aid through NGOs	Total subsidy		Aid to NGOs	Aid through NGOs	Total subsidy
2003	98.3%	1.7%	608.9	2013	74.0%	26.0%	634.0
2004	98.7%	1.3%	642.3	2014	71.5%	28.5%	642.5
2005	98.5%	1.5%	700.1	2015	72.2%	27.8%	614.6
2006	95.4%	4.6%	773.0	2016	67.9%	32.1%	327.9
2007	91.9%	8.1%	857.7	2017	69.9%	30.1%	294.7
2008	91.9%	8.1%	846.3	2018	70.8%	29.2%	285.3
2009	88.9%	11.1%	897.8	2019	71.1%	28.9%	284.1
2010	90.2%	9.8%	884.7	2020	71.9%	28.1%	274.9
2011	92.2%	7.8%	534.3				
2012	81.6%	18.4%	584.7	Total	86.0%	14.0%	10,687.7

Source: NGO funding database CIDIN

Note: Data for the period 2016–2020 is incomplete.